Chesapeake Bay

Cross-Bay Ferry Baseline Study

Draft Report

November 2007

PB Consult Inc.

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1 Introduction

During the past 15 years, Maryland has undertaken numerous feasibility and technical planning studies investigating possible cross-bay ferry service. These studies have allowed the Maryland Department of Transportation (MDOT) to stay abreast of the latest technologies, trends and public opinions. Although a ferry service has not yet been implemented due to prior uncertainties in achieving financial and political viability, local interest in funding a cross-bay ferry service remains high, particularly within Maryland. Maryland's current governor, Martin O'Malley, has expressed his support for a cross-bay ferry service. One of the supporting reasons cited for providing ferry service across the Chesapeake Bay is an anticipated mode shift allowing for congestion relief on the Chesapeake Bay Bridge.

The purpose of this report is to conduct a baseline analysis of possible ferry service across the Chesapeake Bay. The baseline analysis catalogues previous studies and documents their findings and outcomes, and then complements this analysis with a review of existing ferry services in comparable locations on the Eastern Seaboard and elsewhere in the United States in order to provide a context for evaluating the current situation in Maryland.

The following sections of this report provide:

1) A review of recent and on-going ferry studies for services in the Maryland region,
2) Case studies of existing peer ferry operations, and
3) A summary of lessons learned, synthesizing information from recent studies and interviews with existing ferry service operators organized to address the Department's key concerns. This synthesis will provide the context and analysis needed to inform future decisions on possible cross-bay ferry services in Maryland.

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2 Recent Studies

Since the early 1980s, over a dozen studies have been conducted to investigate the feasibility of operating new ferry services across the Chesapeake Bay. This section of the report summarizes the findings of those studies performed since 2000. These studies include:

- *The Potomac River Ferry Boat Feasibility Study, Virginia Department of Transportation, Transportation Planning Division, April 2000.*
- *Crisfield – Point Lookout Ferry Feasibility Study (Phase I and II), Maryland Department of Transportation, 2000 and 2001.*
- *Mid-Chesapeake Bay Ferry Feasibility Study (Phase I and II), Northern Neck Planning District Commission (NNPDC) and the Virginia Department of Transportation, January 2001 and June 2002.*
- *Chesapeake Bay Ferry Feasibility Study, Maryland Department of Transportation, unpublished draft report in agency review, 2004.*
- *Maryland-Virginia Ferry Feasibility Study (Step One and Two), Somerset County, City of Crisfield, Northumberland County, Northern Neck Planning District Commission (NNPDC), June 2004 and February 2005.*
- *Report to Governor Martin O'Malley: Rationale for a Chesapeake Bay Passenger Ferry System, Ad Hoc High Speed Ferry Committee, November 7, 2007.*

Summaries of the key components of these studies are provided below. These discussions are followed by a table synthesizing the information generated in the different studies and an analysis of common themes.

2.1 Potomac River Ferry Boat Feasibility Study

2.1.1 Project Overview

In October 1998, U.S. Congressmen Frank Wolf and Tom Davis sponsored legislation for grant funding to study the development of a high-speed passenger ferry boat service on the Potomac River between Woodbridge, VA and the District of Columbia. The grant initiative was based on a number of goals, including:

- Continuing interest in utilizing the Potomac River for transportation service,
- Alleviating significant impacts on motorists during the I-95 Springfield Interchange and Woodrow Wilson Bridge reconstruction over the next 10 years, and
- Potential for private ferry operators to access public funding.

The passenger ferry boat feasibility study, sponsored by the Virginia Department of Transportation (VDOT) began on November 1, 1999 and was completed in Spring 2000. The feasibility of the service was determined by a number of factors including: potential market for this service, impact of a ferry operation on existing transit services, landside/waterside infrastructure, and funding needs.

2.1.2 Services

The initial 40-mile corridor examined for potential ferry services stretched from Quantico,

Virginia to Washington, D.C. After considering six alternate routes, surveying 600 residents in the study area, comparing estimated travel times with other modes, and evaluating connectivity with other transit modes and proximity to households and employment, it was concluded that an alternative ferry route connecting Woodbridge to the Navy Yard would be the most viable. Services for the Woodbridge – Navy Yard route would run year round with 3 high-speed passenger vessels. Based on the operation of a high-speed passenger ferry service, the average commute from port-to-port would have a crossing time of about 45 minutes, carrying up to an estimated 151,800 passengers a year.

2.1.3 Finance

Financing assumptions for the ferry operation were dependent on the use of public subsidies and a constant $4.40 fare to fund operational costs of the service. With capital costs of about $9.7 million dollars and operational costs at about $2.2 million annually, significant operating losses were expected over the first five years. Over that same time period, however, losses were projected to diminish from $1.6 million to $1.45 million.

2.1.4 Challenges

Due to the significant capital investment this type of business requires, prior attempts to implement a high-speed passenger ferry boat service were not successful. The study considered both a private and public sector operator as part of the solution to bridging this funding gap. Based on potential tourism and charter activities, a private venture may be more financially sustainable because of increased access to more revenue sources than a publicly supported ferry service. In fact, one of the two private ventures attempting a passenger ferry start-up at the time the study was conducted approached the public sector for demonstration funds.

In addition to significant capital investment, the study also foresaw potential challenges in maintaining or increasing ferry ridership past the first five years of implementation as a result of VRE improvements six to eight years in the future.

2.1.5 Recommendations

The study made three recommendations:

1) Focus on VDOT's departmental resources to facilitate and support implementation by a private operator for a high-speed passenger ferry boat service,
2) Assuming that a local or regional public transit agency would work with a private ferry operator, explore integration of the ferry service into the public transportation infrastructure, or
3) If a private sector ferry operator is not available to implement service with the assistance described in the previous two recommendations, pursue a grant funded demonstration project for service between Woodbridge and the Navy Yard.

2.2 Crisfield – Point Lookout Ferry Feasibility Study (Phase I: Need and Patronage Assessment and Phase II: Ferry Service Evaluation and Alternatives)

2.2.1 Project Overview

In the Fall of 2000, the Maryland Department of Transportation (MDOT) completed the first part of a two-part ferry feasibility study. The first study assessed the need for ferry

services and ridership forecasts. Ridership forecasts were based on travel demands derived from survey results conducted by the Schaefer Center for Public Policy and other businesses. Depending on the data results of the first study, further studies would be initiated to assess vessel and operating requirements, develop operating scenarios, calculate potential operating costs and subsidy requirements, and recommend vessels, facilities, and fares.

After phase I of the study concluded that further analysis of vessels, shore terminals, operating schedules and costs, willingness to pay and subsidies should be undertaken, Phase II was initiated and completed in April 2001. Phase II further analyzed and built upon the findings of the Phase I feasibility study and evaluated vessel technology, operating scenarios, potential costs and possible environmental impacts.

2.2.2 Services

The study assessed a corridor about 30 miles in length from Crisfield, Somerset County to Point Lookout, St. Mary's County. Services were to be operated by a public agency and offered to commuters, business travelers, and tourists. While Phase II examined and compared the feasibility and use of conventional, hydrofoils, hovercrafts, and catamarans, the operation intended to have both passenger and vehicle carrying capacity. Ferry services for the study corridor were projected to generate up to 228,000 passengers and up to 101,100 vehicles annually.

Services would be provided year round with the following schedule:

October – April: 2 round trips daily, Monday – Friday
May and September: 6 round trips daily, seven days a week
June – August: 12 round trips daily, seven days a week

2.2.3 Finance

Costs and revenues projected were analyzed in phase II of the study. The finance model incorporated information from interviews conducted with local shipbuilders and under the assumption that the ferry service would rely on public subsidies and fares for sources of revenue. Capital costs of ferry service were estimated to be $6,851,000 including vessel and terminal costs. Operating costs, including maintenance, fuel, crew salaries, overhead and vessel insurance were estimated to be $5,185,000 a year in addition to fixed costs (office staff salaries, overhead, terminal insurance and administrative costs) of about $1,801,000.

2.2.4 Challenges

The environmental impact analysis, in Phase II of the report, found that Point Lookout would require dredging resulting in significant impacts on wetlands, noise pollution and possible impact to archaeological artifacts of the historical state park.

2.2.5 Recommendations

The catamaran was recommended for its proven and economical platform for passenger/vehicle ferry services. It was also recommended that further analysis of market conditions and subsidies required should be performed in order to refine an appropriate rate structure.

2.3 Mid-Chesapeake Bay Ferry Feasibility Study, Phase I and II

2.3.1 Project Overview

In 2000, the Northern Neck Planning District Commission (NNPDC) in Virginia initiated a series of studies to identify the feasibility of a ferry service across the Chesapeake Bay. Phase I and II of the studies examined a ferry route from Reedville, Virginia to various potential destinations along Virginia's Eastern Shore. In 2002, however, the Phase II report concluded that a better route for providing auto, truck and passenger ferry services would be between Virginia's Northern Neck and Crisfield, Somerset County, Maryland. The NNPDC's Phase I and II studies were later incorporated in the latest study completed in 2005, entitled the "Maryland – Virginia Ferry Feasibility Study."

2.3.2 Services

Phase I studied a publicly subsidized ferry service for the estimated 30 mile segment from Reedville, Virginia to Onancock Creek, Virginia. Average crossing times were about two hours with a 15-knot ferry boat. The anticipated types of patrons were commuters and tourists with the inclusion of services for commercial trucks. It was estimated that the service would generate about 200,000 to 250,000 vehicles a year.

After the completion of Phase I in January 2001, Phase II was undertaken to study a route stretching from Reedville, Virginia to several destinations along the Eastern Shore of Virginia. This study examined the potential for vehicle ferries (50-70 car vessels) at about 16-18 knots each. The second study was undertaken to analyze the potential for a vehicle ferry to provide economic stimulus to Virginia counties and to re-establish historical connections between fishing communities.

2.3.3 Finance

Phase II analyzed the costs and revenues of a ferry service from Reedville, Virginia to various points along the Eastern Shore of Virginia. Operational costs were estimated to be about $3 to $3.3 million per year. Financing for the operational costs of the ferry service, were assumed to be generated by ferry fares and subsidies. Pricing of the ferry fares were assumed to be comparable to the Chesapeake Bay Bridge Tunnel toll for autos and trucks. For terminals and access roads, however, outside funding would be required and may have to be absorbed by a public agency like the Virginia Department of Transportation.

2.3.4 Challenges

Due to the lack of public support for a terminal location in Accomack County, Virginia, ferry service between these two termini was deemed infeasible.

2.3.5 Recommendations

Phase I concluded that a two-vessel operation using existing 15-knot boats would generate sufficient revenues to break even on operating expenses.

Although the lack of public support for a service in Accomack County presented significant implementation challenges, a ferry connection from Crisfield, Maryland to Reedville, Virginia would have positive economic benefits for Reedville, Virginia. However, additional economic studies would be needed for the Maryland market areas. Consultants were also asked to examine a proposal from a private operator to provide "high speed" ferry service between Reedville and Crisfield.

2.4 Chesapeake Bay Ferry Feasibility Study

2.4.1 Project Overview

The Chesapeake Bay Ferry Feasibility Study, sponsored by the Maryland Department of Transportation (MDOT) and Maryland Transportation Authority (MdTA) was completed in Fall 2003. This Feasibility study was undertaken to investigate potential ferry service routes connecting the Western and Eastern Shores of Maryland across the Chesapeake Bay. All potential terminal locations examined were based on a fatal flaw analysis and met basic requirements of adequate landside and water access in addition to minimized environmental impacts. This study is not yet published.

2.4.2 Services

The 2003 Chesapeake Bay Ferry Feasibility Study investigated services between the following four terminal locations:

- Canton to Rock Hall
- Chesapeake Beach to Cambridge
- Solomons Island to Cambridge
- Solomons Island to Crisfield

The lengths of these routes varied from 22 to 43 nautical miles. The average trip time was estimated to be between 82 to 145 minutes for a conventional vessel, or 55 to 117 minutes each way for a high speed vessel.

Services would be provided for both passengers (commuters and tourists) and vehicles. The service, operated by a public entity, would run year round for up to 18 hours/day during the summer season (June – August), up to 16 hours/day in the shoulder season (May, September, October), and up to 12 hours/day in the off-season (November – April).

The study estimated that ferry services for the four paired terminal locations would generate 75,000 to 305,000 annual passengers and 136,000 to 335,000 vehicles with drivers, with the highest number of patrons generated through the Chesapeake Beach - Cambridge route.

2.4.3 Finance

Services between the four different locations assumed a publicly subsidized financial model where fare structures were based on supply and demand models. Landside and terminal improvement costs, however, were based on a demonstration pairs assessment and an “off site” transportation network assessment to support the proposed ferry service terminal locations. Capital costs ranged from $7 million to $10 million using conventional vessels and $35 million to $40 million using high-speed vessels. Operational costs were based upon historical data and estimated to be anywhere between $18 million to $80 million for the four paired terminal locations.

2.4.4 Challenges

The study found that extensive dredging would be required for routes from Canton to

Rock Hall and Solomons Island to Crisfield. Additionally, Point Lookout was not carried forward in this study because the existing channel was found to be not wide enough to handle ferry service and the water depth near, in and around the site did not have a consistent depth of 8 feet or greater.

2.4.5 Recommendations

It was concluded that among the four routes, Chesapeake Beach to Cambridge, Maryland would prove to be the most successful route and have the most potential for break-even or near-break-even performance in operating costs and revenues. The most cost-effective vessel for the ferry operation would be about 200 feet in length with a draft of no more than eight feet and a capacity for 50 to 60 autos, or 30 autos and six to 10 large trucks.

2.5 Maryland-Virginia Ferry Feasibility Study: Step One and Two Reports

2.5.1 Project Overview

The Maryland-Virginia Ferry Feasibility Study was a two-part study sponsored by the Board of County Commissioners of Somerset County, Maryland in cooperation with the City of Crisfield, Maryland, the Board of Supervisors of Northumberland County, Virginia, and the Northern Neck Planning District (NNPDC). Step one of the report, completed in June 2004, was a preliminary feasibility study of potential traffic, demand and revenue of a ferry operation from Crisfield, Maryland to Reedville, Virginia. Step one of the study incorporates an evaluation, update and extension of the previous studies conducted by NNPDC and MDOT and intended solely for decision makers' use in financial, construction and operational planning. Step two of the study confirms and updates information found from the step one report, tests operator interest in the proposed route, and identifies potential funding sources and organizational structures for operating the proposed ferry route. Step two was completed in February 2005.

2.5.2 Services

The study investigates the feasibility of a 30 to 35 nautical mile ferry route between Crisfield, Maryland and Reedville, Virginia. Services would be operated by a public entity and provided on a seasonal basis, for 18 hours daily in the summer season and 12 hours daily in the winter season. Vessel technologies assessed in step one of the report included a 16.5 knot Converted Service Vessel (conventional), a 20 knot Medium Speed Catamaran, and a 40 knot High Speed Catamaran.

As a result of the step one findings, step two of the report continued further analysis of services with a two 20-knot Catamaran ferry boat operation that could carry about 220,000 cars, trucks and recreational vehicles annually.

2.5.3 Finance

Like the earlier studies mentioned, the Maryland-Virginia Ferry Feasibility Study assumes a publicly subsidized finance model, with the same terminal operating costs for all alternatives but with varying vessel costs, depending on the vessel type. For example, a 16.5 knot conventional vessel costs about $2.5 to $3 million; a 20 knot Kangaroo Island-type Catamaran is about $15 to $18 million; and about $35 million for a 40 knot High Speed Catamaran.

Capital costs in total, as summarized in step two of the report, would average $47 million, based on 20 knot Catamarans. Operational costs for 20 knot Catamarans were estimated at about $9.6 million per year, including two terminal sites and annual vessel maintenance costs. To finance operational costs, a major source of funding would be generated through ferry fares averaging a maximum of $20 to $25 per roundtrip.

2.5.4 Challenges

Some of the potential implementation issues found in the Maryland – Virginia Ferry Feasibility Study included governance and finance barriers. By looking at the VRE as a model, it appeared that a similar independent ferry authority could be established by a joint venture agreement between Northumberland County, Virginia, and Somerset County, Maryland where each county would receive respective transportation dollars. This coordination, however, was foreseen to present challenges. Aside from governance issues, the ability to secure funding also presented challenges. For example the USDA Rural Development Program would guarantee up to $25 million in loans for the project, but was dependent on finding both a willing lender and a cash flow source to repay the loan.

2.5.5 Recommendations

Step one of the report concluded that a two-boat ferry operation using conventional ferries at speeds of 16.5 to 20 knots would most likely be able to achieve a break-even condition in terms of operating costs and revenues. A high-speed vessel, however, was not recommended for a ferry operation between Crisfield and Reedville due to significantly higher operation costs and the unwillingness of potential riders to pay more for faster speeds and only slightly shorter route travel times.

Step two of the report developed revenue and expense projections in detail for a full operation of a 20-knot ferry with both passenger and vehicle carrying capacity. Step two of the report noted the use of a public-private partnership (PPP) as a theoretical possibility but cautioned that coordinating the PPP programs of the two states would pose challenges. The report also recommended the creation of a multi-use pier to lessen the financial risk of the operation and enhance base revenues to support pier operations and maintenance. Three specific “next steps” were also recommended for action in order to ensure the success of a Crisfield – Reedville ferry route. These three actions were:

1. Lobby Congressional Delegations for appropriations in the next Transportation Reauthorization bill for ferry vessel construction.
2. Proceed with an Economic Benefits Study.
3. Work with County Attorneys and State Legislators to draft and implement legislative authority to form a partnership or joint venture between Northumberland County, Virginia and Somerset County, Maryland to oversee all aspects of the ferry route.

2.6 Ad Hoc High Speed Ferry Committee Report to Governor Martin O’Malley

2.6.1 Report Overview

Encouraged by the Governor's recent support of a ferry service across the Chesapeake Bay, a group of interested citizens formed an Ad Hoc High Speed Ferry Committee and authored a report providing recommendations and rationale for a Chesapeake Bay Passenger Ferry System. This report, completed on November 7, 2007, compiles information and recommendations encouraging ferry service as an essential element in Maryland's smart growth strategy. With the recent surge in awareness of global climate change, rising sea levels, increasing energy costs, population growth, terrorism, and technology changes, the Committee finds it an opportune time to carefully consider the natural-infrastructure role the Chesapeake Bay could play in future transportation investments, and implement a passenger ferry demonstration program.

The Committee's recommendations for this network include (a) relatively high speed passenger ferries connecting the towns and cities of the Eastern Shore to the commercial centers on the Western Shore, and (b) a slower vehicular ferry crossing in Southern Maryland to supplement the William Preston Lane Bridge and the Chesapeake Bay Bridge-Tunnel, complemented with a mix of intermodal links to the ferry system. Interestingly, the report suggests that:

> "The discussion of a ferry system needs to be decoupled from that of a third bridge. The design and construction of a third bridge is 15 to 20 years in the future, whereas a ferry system could begin now to put boats in the water and help relieve traffic at the margins."

Table 2.1 summarizes key recommendations from the Ad Hoc High Speed Ferry Committee:

Table 2.1

	CONSIDERATION	RECOMMENDATIONS
1	Smart Growth	Create a ferry study and demonstration process that crosses the institutional boundaries between Smart Growth initiatives and transportation infrastructure planning.
2	Economic Development	Consider the economic development impact of ferries in the smaller Chesapeake Bay communities that are undergoing commercial and demographic changes that may result in social imbalance or economic disadvantage.
3	Environment	Consider the direct and indirect environmental costs associated with ferries relative to other forms of surface transportation.
4	Base Re-Alignment Committee (BRAC)	Consider passenger ferry alternatives when looking for solutions to BRAC transportation infrastructure problems.
5	Bridge	Consider the passenger ferry as a supplement to bridges in the near-term, able to provide marginal relief from growing bridge traffic.
6	US Coast Guard	Open conversations with the USCG Marine Safety Center to determine operational, security, and regulatory limitations on the operation of high speed passenger ferries on the Chesapeake Bay and its tributaries.
7	Baltimore	Engage Mayor Dixon and the Baltimore City Planning Department in discussions concerning intermodal transfers, ferry landing sites, and parking facilities that are necessary for successful ferry operations in Baltimore.

8	Annapolis	Engage Mayer Moyer and the City Planning Department in discussions concerning the benefits and impacts of ferry service on the City of Annapolis, including intermodal changes that could be arranged.
9	Rock Hall	Engage Mayor Jay Jacobs and the residents of Rock Hall in a discussion of the pros and cons of a Chesapeake passenger ferry system. Use these discussions as a bellwether for the larger community of residents in small coastal towns on Chesapeake Bay. Consider Rock Hall as one site for a ferry demonstration program.
10	Maryland-Virginia	Approach officials in the State of Virginia for collaborative planning efforts to support grants or subsidies for a Chesapeake Bay passenger ferry system.
11	Homeland Security	Engage State and Federal officials in a discussion of the merits of a Chesapeake Bay passenger ferry system and its benefits during emergencies. Encourage them to factor these considerations into their decisions regarding a State-subsidized ferry system.
12	Ferry Technologies	Through the Maryland Department of Business and Economic Development, establish an outreach program to promote the participation of Maryland companies in the development of advanced ferry technology that can be showcased on the Chesapeake Bay and exported throughout the world.
13	Relevant Comparisons to Other Regions	Establish liaison with other states and the Passenger Vessel Association to learn Best Practices and current economics of fast passenger ferry operations.
14	Public-Private Partnership Approach	Ask the State Attorney to investigate the applicability of public-private partnership legislation to passenger ferry operation. Provide a template for a public-private partnership agreement that might facilitate and encourage passenger ferry service on the Chesapeake Bay.

2.7 Summary

In reviewing all of these reports, it is clear that perhaps the biggest implementation challenge for a ferry service across the Chesapeake is the need for a significant capital investment to initiate such a service. However, a number of potential solutions to bridge this funding gap exist and may include: the inclusion or partnership with a private operator to leverage revenue sources, exploring integration of ferry service into the public transportation system, using a public-private partnership as a guide to the organizational structure of such an operation, and creating a multi-use pier to enhance utility and support for pier operations and maintenance.

Comparing potential ferry routes between the studies, the most viable termini appeared to be either between Crisfield, Maryland and Reedville, Virginia or Chesapeake Beach to Cambridge, Maryland. However, there appears to be little support in Virginia for a ferry terminal in Reedville, which is a significant obstacle to implementation. In addition, coordinating the roles and programs of the two states would pose a challenge. The second route, from Chesapeake Beach to Cambridge, Maryland, was deemed to have the most break-even potential in operating costs and revenues with annual ridership patronage of up to 305,000 passengers and 335,000 vehicles.

Although the latest report by the Ad Hoc High Speed Ferry Committee did not draw any conclusions as to which route would be the most viable, the potential for triangular routing was introduced as an additional option for consideration. The key termini points suggested included Annapolis, Baltimore, and Rock Hall.

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3. Review of Existing Ferry Operations

To date, there are about 399 existing ferry services in the National Census of Ferry Operators database. PB, in consultation with MDOT, refined this list to develop a set of case studies similar to services in consideration across the Chesapeake Bay. The refined list of peer ferry service operations were based on the following considerations:

- Mix and types of services (leisure and commuter markets, mix of public and private operators)
- Average crossing time and length
- Number of months the services are in operation each year

Working closely with Department staff, the following peer ferry services were identified for further study:

Commuter – passenger only

1. San Francisco, CA – Vallejo, CA (privately operated with public support)
2. Boston, MA – Hingham, MA (privately operated with public support)

Commuter – passenger and vehicle

3. Seattle, WA – Bremerton, WA (publicly operated)

Recreational – passenger and vehicle

4. Lewes, DE – Cape May, NJ (publicly operated)
5. Bridgeport, CT – Port Jefferson, NY (privately operated)
6. New London, CT – Orient Point, NY (privately operated)
7. Ocracoke, NC – Swan Quarter, NC (publicly operated)
8. Brooks, OR – Wheatland, OR (publicly operated)

Recreational – passenger only

9. Boston, MA – Provincetown, MA (privately operated)

Information for these case studies was obtained using a combination of desktop Internet research together with telephone interviews of the organizations operating the various ferry services. Data was then synthesized into a standard case study template to address the following questions and concerns of the Department:

- Is a daily commuter market necessary for achieving some degree of financial viability?
- Are seasonal excursion services worthwhile?
- Is passenger and vehicle service necessary?
- Can passenger-only service be successful?
- What type of vessels would be best suited for cross-bay service in Maryland?
- Do other services accommodate trucks and cargo carrying vehicles?

3.1 San Francisco, CA – Vallejo, CA (privately operated with public support)

1. Description of crossing

Baylink provides round trip services from Vallejo to the San Francisco Ferry Building and also picks up from Pier 41 Fisherman's Wharf on the way to the Ferry Building heading back to Vallejo. Average crossing time is about 65 minutes.

2. Key Success Factors

The geography and congested bridges of the Bay Area make ferry service attractive for certain commuter markets and the City of Vallejo has retained a private vendor to operate its ferry service.

3. Description of operator

Baylink is owned by the City of Vallejo and operated by Blue & Gold Fleet.

4. Number of employees

NA

5. Number and type of Vessels

Baylink has a fleet of four high-speed catamaran boats. These vessels include: The Vallejo, Intintoli, Mare Island, and the Solano. These vessels can reach up to 38 knots maximum with a passenger capacity of 300.

M/V SOLANO

6. Fees

One Way Tickets Fares

Tickets can be purchased in advance at any of the following locations:

- Ferry Terminal ticket office
- Local Safeway stores
- Bay Crossings the SF Ferry Building
- Vallejo Transit
- 1850 Broadway
- Blue & Gold Fleet at SF Pier 41 terminal

Online ticket sales are also available in a limited capacity through Blue & Gold Fleet. Tickets are required before boarding the Ferries. All tickets are nonrefundable.

Adult (13-64)	$12.50
Youth (6-12) *	$6.25
Senior (65+) *	$6.25
Disabled/Medicare *	$6.25
Child (0-5)	Free**

Note: *Reduced Fares available.
Note: ** Up to 2 children under 6 years of age may fide FREE with each fare paying adult.

Baylink also offers Daily and Monthly passes in addition to 10-Ride punch cards. Reduced fares are also available for seniors, youth, disabled, and medicare for half price.

7. Annual Operating Revenues and Costs

NA

8. Number of vessels dedicated to the service

Four vessels are dedicated to this service.

9. Number of daily runs

About twelve round trips are made daily on weekdays and about nine trips on the weekends. Ferry service is provided every day of the year except Thanksgiving Day, Christmas Day, and New Year's Day.

10. Annual passenger and vehicle levels

NA

11. Are passengers primarily commuters or recreational trip makers?

Passengers are primarily commuters

12. How did Blue and Gold Fleet obtain the right to operate this service?

NA

13. How much time does this service save passengers who would drive otherwise?

Overland, the route from Vallejo to the Ferry Building in San Francisco is 31 miles and would be likely to take an hour during normal conditions, including the delays associated with paying the toll on the Bay Bridge. During congested periods the trip can take much longer. The crossing time on the ferry is 65 minutes.

14. Does the operator receive any subsidies?

As a result of the recent signing of SB 976, Baylink will be one of five ferry services to operate under the new Water Emergency Transportation Authority (WETA). WETA enables access to $250 million in capital funds for the ferry services including the Water Transit Authority, Alameda/Oakland Ferry, Vallejo Baylink Ferry and the Harbor Bay Ferry.

15. Were vessel or land-side improvements needed to implement the service and, if so, who paid for those?

NA

16. Do you operate or consider this service on a stand-alone basis or as part of a larger system?

Prior to signing of SB 976 on October 15, 2007 Vallejo Baylink operated under a stand-alone basis. WETA is now the emergency response authority that Vallejo Baylink among four other Bay Area ferry services will operate under.

17. Are the vessels operating on this service used for any other purposes?

Emergency response.

18. Does the operator offer other regular ferry services?

No.

19. Does the operator also offer charter and pleasure boat services?

NA

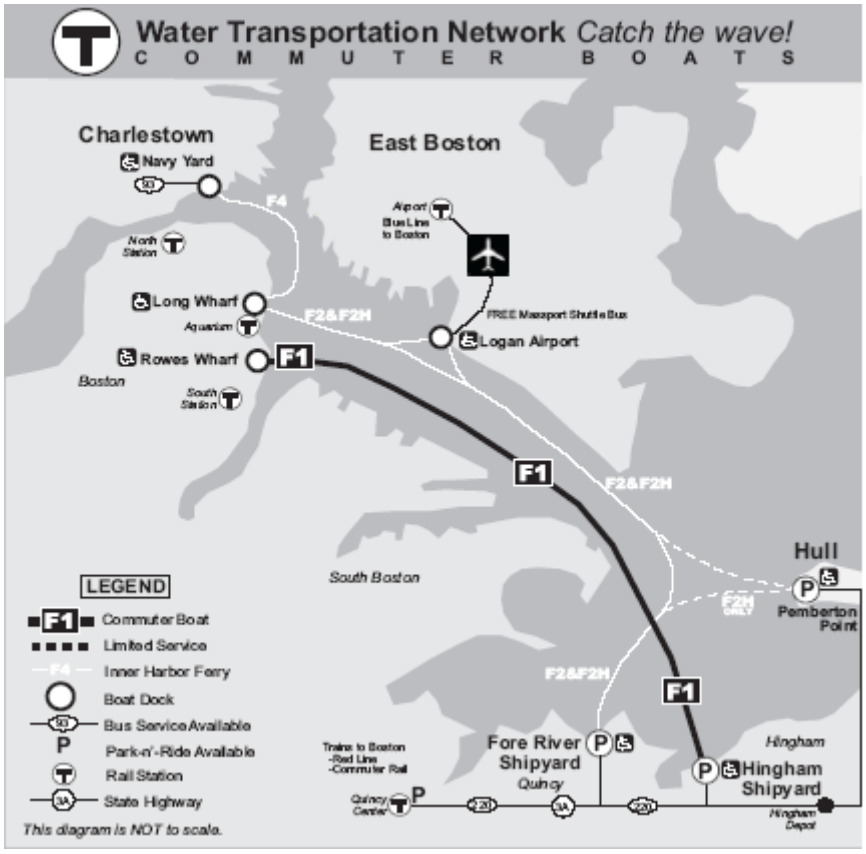
20. Would the operator consider operating new ferry services? If so, what is the decision-making process you would go through before doing so?

NA

3.2 Boston, MA – Hingham, MA (privately operated with public support)

1. Description of crossing

The Boston – Hingham ferry route stretches from Rowes Wharf to the Hingham Shipyard. Parking is available at the Hingham Shipyard with 1,579 parking spaces including handicap parking. The ferries have capacity for 300 and 400 passengers including restrooms and a snack bar in a fully-enclosed cabin. Total crossing time is estimated to be 35-minutes one-way.



2. Key Success Factors

Funding from the Massachusetts Bay Transportation Authority (MBTA).

3. Description of operator

Boston Harbor Cruises is a private operator providing commuter ferry service under contract to the MBTA, as well as other for-profit ferry and pleasure boat services. MBTA contracts with private companies to operate a number of commuter and inner harbor boat services on Boston Harbor. In addition to the Hingham commuter ferry other routes include ferry service between downtown Boston and Logan International Airport and the Boston Navy Yard in Charlestown, Massachusetts.

4. Number of employees

NA

5. Number and type of Vessels

There are four boats used for this service: the Aurora (400 passenger high-speed catamaran), Monohull, Mass, and Nora.

6. Fees

One-way:	$6.00
Children 5-11yrs old:	$3.00
Children under 5 and blind persons with ID:	FREE
Seniors/Disabled:	$3.00
10-Ride Ticket:	$54.00
Monthly Boat Pass:	$198.00
Bikes:	FREE
Parking:	$1.00/day $1.75/overnight

7. Annual Operating Revenues and Costs

The MBTA's 2007 budget includes $3.24 million for services provided by private water carriers.

8. Number of vessels dedicated to the service

NA

9. Number of daily runs

There are up to 18 daily runs on the weekdays and weekend service is not available. Service is also not offered on the following holidays: Christmas Day, New Year's Day, Fourth of July, Labor Day, Memorial Day and Thanksgiving Day.

10. Annual passenger and vehicle levels

124,600 passengers per year.

11. Are passengers primarily commuters or recreational trip makers?

Passengers for this ferry route are primarily commuters.

12. How did you obtain the right to operate this service?

Boston Harbor Cruises operates the Hingham service under contract to the MBTA.

13. How much time does this service save passengers who would drive otherwise?

Driving the distance between Hingham Harbor and Rowes Wharf in Boston is 15.5 miles which can be driven in approximately 35 minutes under uncongested conditions. Trip times during peak periods are likely to take longer. The high-speed ferry completes its run in 35 minutes.

14. Does the operator receive any subsidies?

Yes.

15. Were vessel or land-side improvements needed to implement the service and, if so, who paid for those?

NA

16. Do you operate or consider this service on a stand-alone basis or as part of a larger system?

While Boston Harbor Cruises provides other services, the Hingham commuter route is operated on a stand-alone basis under contract to MBTA.

17. Are the vessels operating on this service used for any other purposes?

Boston Harbor Cruses vessels are also used for charter events and private events like weddings, corporate functions, holiday functions, student dance cruises, etc. However, it is more likely to use smaller vessels for these types of functions rather than the commuter passenger ferries operated on the Hingham service.

18. Does the operator other regular ferry services?

Other ferry services offered are whale watching, harbor cruises (Sunset Cruise, Historic Sightseeing Cruise, Lighthouse Cruise, USS Constitution Cruise, and Charles River Tour) and rides on the "Codzilla."

19. Does the operator also offer charter and pleasure boat services?

Yes (see above).

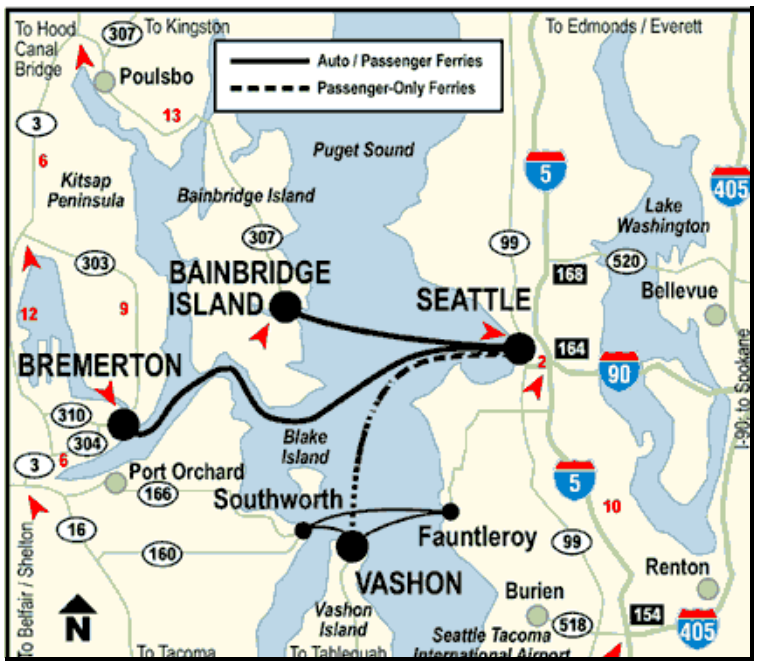
20. Would the operator consider operating new ferry services? If so, what is the decision-making process you would go through before doing so?

NA

3.3 Seattle, WA – Bremerton, WA (publicly operated)

1. Description of crossing

The route is 13.5 nautical miles (15.5 statute miles) between downtown Seattle in King County, WA and downtown Bremerton in Kitsap County, WA. The crossing time is approximately 55 minutes.



2. Key Success Factors

The geography of Puget Sound makes it impractical for residents of the Kitsap Peninsula to drive to work destinations in the City of Seattle, yet the quality of life on the peninsula makes it a highly desirable residential location. Recognizing the need of comprehensive ferry service to maintain economic viability and quality of life in the Puget Sound region, the Washington Department of Transportation provides the funding to make the service possible.

3. Description of operator

Washington State Ferries (WSF) is a division of the Washington State Department of Transportation. Established in 1951 as a tolling authority, WSF purchased the assets and routes of the system from the Puget Sound Navigation Company in 1951 after the state refused to allow the private carrier's request for a 30 percent fare increase. The initial vision was for WSF was to operate ferries on a temporary basis while it developed a network of toll bridges across Puget Sound. However, the state legislature vetoed that vision in 1959 and ferries were then accepted as a permanent and necessary feature of the Puget Sound region. Today, WSF serves eight counties within Washington as well as the province of British Columbia in Canada. The WSF system is comprised of 20 terminals served by 10 routes using more than two dozen vessels, and its annual patronage of 24 million passengers and nearly 11 million vehicles makes it the largest ferry system in the US.

4. Number of employees

1,800 (entire Washington State Ferries workforce)

5. Number and type of Vessels

- 25 auto vessels, ranging in size from 40 vehicles / 200 passengers to 202 vehicles / 2,500 passengers

- 2 passenger-only vessels (passenger-only service is currently operated between Vashon Island and downtown Seattle; however, WSF is due to get out of the passenger-only business on June 30, 2008)

6. Fees (Seattle-Bremerton route)

Adult Passenger: $6.70 round-trip, collected westbound ($3.35 one way)

Auto and Driver — Off Peak Season: $11.55 one way, collected in both directions

Auto and Driver — Summer Peak Season: $14.45 one way, collected in both directions

Frequent user/commuter discounted passes are available

7. Annual Operating Revenues and Costs

Fiscal Year 2007 fare revenue totaled $146.7 million, with total operating revenues amounting to $150.8 million. Corresponding operating costs are approximately $190 million.

8. Number of vessels dedicated to the service

Two Super Class ferries, each with a capacity of 144 vehicles and 2,500 passengers, operate on the route during the fall, winter and spring seasons. During the summer, one of the Super Class ferries is replaced with a Jumbo Class ferry that carries 188 vehicles and 2,500 passengers.

9. Number of daily runs

14 round-trip daily sailings

10. Annual passenger and vehicle levels

1.45 million passengers and 610 thousand vehicles

11. Are passengers primarily commuters or recreational trip makers?

The route serves both commuter and recreational traffic, with a peak commute from Bremerton to Seattle in the morning, and a not insignificant reverse commute from Seattle to employment at the Bremerton Naval Shipyards.

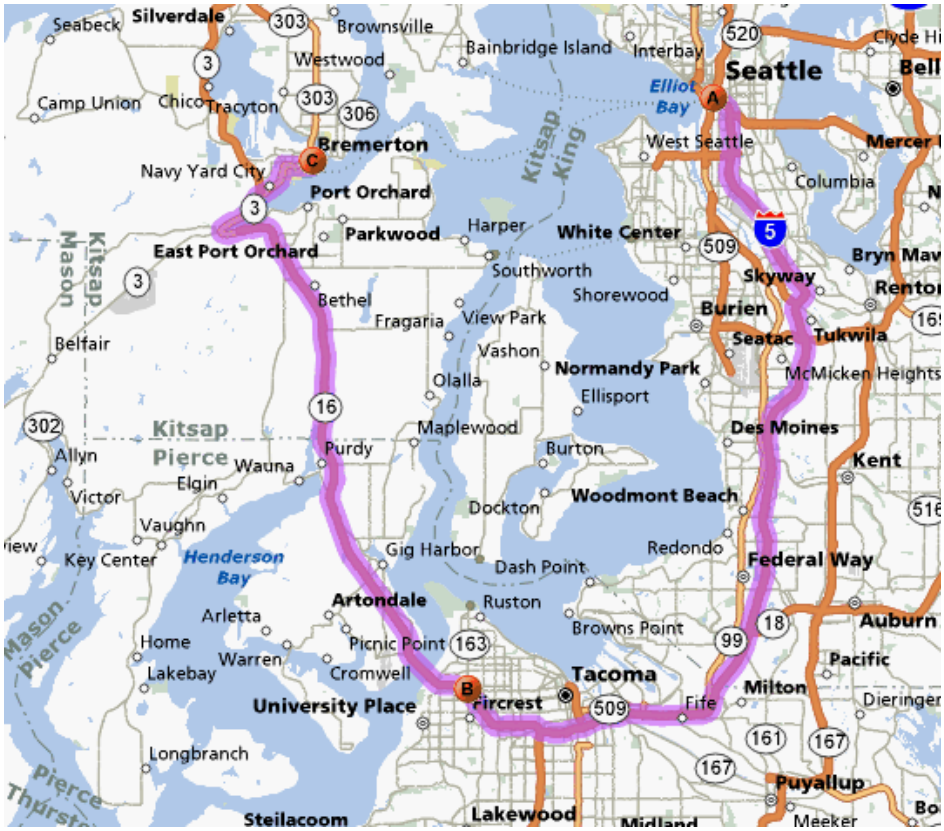
12. How did you obtain the right to operate this service?

The State purchased the assets and routes of the system from the Puget Sound Navigation Company in 1951, which included the Seattle-Bremerton service.

13. How much time does this service save passengers who would drive otherwise?

The drive-round route from terminal to terminal is about 65 miles, but could take upwards of two hours during congested peak travel times. Actual time savings may range for hardly any to an hour. The drive-around route also includes an eastbound toll of $3.00 on the Tacoma Narrows Bridge (SR 16).

There are also alternative ferry routes to the Seattle-Bremerton route, notably Seattle-Bainbridge and Fauntleroy-Southworth, that would likely be preferred to driving around Puget Sound via the Tacoma Narrows Bridge for some trips.



14. Does the operator receive any subsidies?

WSF receives an operating subsidy from other State revenues.

15. Were vessel or land-side improvements needed to implement the service and, if so, who paid for those?

The state currently pays for capital improvements to terminals. The Bremerton terminal was last renovated in 1999 and the Seattle Coleman Dock terminal was last renovated in 2004.

16. Do you operate or consider this service on a stand-alone basis or as part of a larger system?

Individual route as part of a larger system that shares operating, administrative and maintenance functions.

17. Are the vessels operating on this service used for any other purposes?

No

18. Does the operator other regular ferry services?

Yes, see response to question 2.

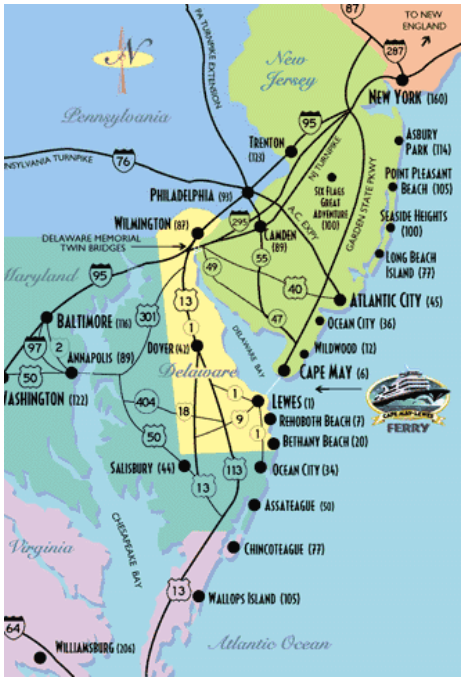
19. Does the operator also offer charter and pleasure boat services?

No.

20. Would the operator consider operating new ferry services? If so, what is the decision-making process you would go through before doing so?

NA

3.4 Cape May, NH – Lewes, DE (publicly operated)



1. Description of crossing

A 17-mile, 80-minute, vehicular and passenger, year-round ferry service across the mouth of Delaware Bay between Cape May, New Jersey and Lewes Delaware. This service has been in operation since July 1, 1964.

2. Key Success Factors

Funding provided by toll revenues generated by the ferry's owner, the Delaware River and Bay Authority (DRBA), together with geography that makes the ferry service attractive to seasonal recreational trip makers.

3. Description of operator

The Cape May – Lewes ferry is operated by DRBA. A bi-state agency, the DRBA was created by the Legislatures Delaware and New Jersey and by Act of the U.S. Congress in 1962. The DRBA, overseen by six commissioners from New Jersey and six from Delaware, is charged with providing transportation links between the two states as well as economic development in Delaware and the four southern counties of New Jersey. In addition to the Cape My – Lewes ferry, the DRBA operates the Delaware Memorial Bridge, the Salem County Business Center and five regional airports. The DRBA also operates the Three Forts Ferry Crossing which provides weekend service from April through October to historic military sites on the Delaware River.

4. Number of employees

The Ferry Division of the DRBA has 120 permanent employees, one third of which are managers, as well as a large seasonal workforce during the summer months. Heath Gehrke, Acting Director of the Ferry Division estimates that the ferry's work force triples during the summer months.

5. Number and type of Vessels

The Ferry Division currently owns five single-hull, diesel powered vessels. Four of these are in regular service and one is for sale. The vessels are approximately 320 feet in length and can accommodate 100 cars and 1,000 passengers.

When service began in 1964, DRBA utilizing a fleet of four steamer ships purchased from a private ferry company in Virginia that was put out of business by the opening of the Chesapeake Bay Bridge-Tunnel connecting Cape Charles with mainland Virginia. These ships were replaced beginning in 1974 with the current diesel-powered vessels.

6. Fees

Historically DRBA has increased fees on the ferry every four to five years. Fees are established through resolution of its Board. It intends to increase fees later this year and then implement more regular increases on a biannual basis. DRBA's fee structure currently

features higher prices during the summer months. It intends to move towards an increasingly varied fee structure which differentiates between the summer and the rest of the year, as well as weekend and mid-week crossings. Fifty percent of revenue comes from vehicles and most of the remainder from vehicle passengers. Drivers are not charged for passage but other passengers are. Children six to 13 years receive a 50 percent discount, and those under six years of age travel for free. This structure is used to encourage trips made by families.

Current fee levels are as follows:

Vehicle and Driver	**Nov-Mar**	**Apr-Oct**
Car, SUV, Van, Pick-Up Truck *(vehicles less than 20')*	$23.00	$29.00
Return-Trip Value Fare *	19.00	$24.00
Motorcycle or Motorbike	$18.00	$24.00
Return-Trip Value Fare *	$15.00	$20.00
Discount Book of Six (6) Tickets *(all vehicles less than 20')*	$110.00	$110.00
From Memorial Day through Labor Day, weekend restrictions apply.		
Return trip fares do not apply with discount book of 6 vehicle tickets.		
Vehicle and Foot Passengers		
Under 6 years of age	FREE	FREE
Children, age 6-13	$3.50	$4.75
Return-Trip Value Fare *	$2.50	$3.75
14 years of age and older	$7.00	$9.50
Return-Trip Value Fare *	$5.00	$7.50
Discount Book of Six (6) Adult Tickets		$42.00
*** Return trip value fares must be purchased with initial sailing.**		
Bus Passengers		
Under 6 years of age	FREE	FREE
Children, age 6-13	$2.00	$3.00
14 years of age and older	$4.00	$6.00
Ferry Terminal Shuttle Fees		
Under 6 years of age	FREE	FREE
6 years of age and older	$3.00	$3.00
Other Fares and Fees		
Bicycles	FREE	FREE
Motorcycle Sidecars	FREE	FREE
Ferry Reservation Fee (Non-refundable per sailing)	$5.00	$5.00
All Other Vehicles and Driver		
20' to under 25'	$27.00	$34.00
25' to under 35'	$35.00	$42.00
35' to under 45'	$42.00	$49.00
45' to under 60'	$53.00	$61.00
60' and over	$75.00	$83.00
Over-Width Vehicles		
All vehicles exceeding any width limitation of Delaware or New Jersey will be charged double the length rate above.		

7. Annual Operating Revenues and Costs

Annual operating costs are between $22 and $23 million. The farebox recovery ratio for the Cape May – Lewes ferry is approximately 67 percent. However, Mr. Gehrke reports that if the cost of the police division and insurance were included in that calculation it would be reduced to approximately 50 percent.

8. Number of daily departures

During the winter months the DRBA operates 8 departures per day, four in each direction. During the summer it operates between 16 and 22 daily departures during weekdays, and 30 departures (15 in each direction) during summer weekends.

9. Annual passenger and vehicle levels

DRBA carries between 350,000 and 360,000 vehicles per year and approximately 1,000,000 passengers.

10. Are passengers primarily commuters or recreational trip makers?

Recreational trip makers. Seventy to 80 percent of all passengers make one or two crossings per year.

11. How did you obtain the right to operate this service?

DRBA obtained the right to operate the service by bi-state compact.

12. How much time does this service save passengers who would drive otherwise?

For motorists traveling between Cape May and Lewes, the 80 minute ferry saves them approximately two hours. Under good travel conditions it takes approximately three and a half hours to make the trip by car and the roads are often congested during peak periods.

13. Does the operator receive any subsidies?

Yes. The DRBA uses toll revenue from the Delaware Memorial Bridge to subsidize operating costs.

14. Were vessel or land-side improvements needed to implement the service and, if so, who paid for those?

DRBA refurbished most of its vessels in the late 1990s and completed $2,000,000 million upgrade to both of its terminals in 2001. DRBA used money from its capital improvement program and bond proceeds to pay for these improvements.

15. Do you operate or consider this service on a stand-alone basis or as part of a larger system?

The Cape May – Lewes Ferry is operated on a stand-alone basis.

16. Are the vessels operating on this service used for any other purposes?

The Ferry Division operates a limited number of charter and special event services. However, due to the high cost of operating its large vessels the market for these services is very small.

17. Does the operator other regular ferry services?

The DRBA also operates the Three Forts Ferry Crossing which provides weekend service from April through October to historic military sites on the Delaware River.

18. Would the operator consider operating new ferry services? If so, what is the decision-making process you would go through before doing so?

No.

3.5 Bridgeport, CT – Port Jefferson, NY (privately operated)

1. Description of crossing

15-mile crossing of Long Island Sound between Bridgeport, Connecticut and Port Jefferson, NY on Long Island. The crossing takes 75 minutes and saves most motorists 100 miles of driving.

2. Key Success Factors

Regional demographics and geography are integral to the success of the Bridgeport – Port Jefferson ferry. The service connects major population centers in New England and Long island and enables motorists to save over 100 miles of some of the most congested driving in the United States. These factors make the service viable on a stand-alone, for-profit basis.

3. Description of operator

The Bridgeport & Port Jefferson Steamboat Co. is a private family owned business. It has been providing ferry service since 1883 and was founded by P.T. Barnum. The company has been owned by a number of different families and is currently wholly owned by McAllister Towing, which is one of the oldest and largest family-owned marine towing and transportation companies in the United States and operates tug boats in ports along the East Coast and Puerto Rico.

Prior to 1982 the company's previous owner operated a single vessel dating from the 1920s and was contemplating closing the operation. Instead it was purchased by McAllister Towing which reinvested in the fleet and grew the business from a 35,000 vehicle per year in 1982 to a service carrying 470,000 vehicles in 2007.

4. Number of employees

The Bridgeport & Port Jefferson Steamboat Co. has 150 permanent employees. Of these, nine are in management. During the peak summer period, the company expands its staff to approximately 170 people.

5. Fees

The Bridgeport & Port Jefferson Steamboat Co revisits its fees annually and increases them every one to two years. It does not charge seasonally priced fees, but during the week in the non-summer months allows an unlimited number of passengers in a single automobile to make the crossing for a fixed group price. A full listing of fees is provided below.

Autos/Motorcycles

	One-way Fare	Bridgeport Port Authority Tax	Total
Auto Including Driver	$44.50	$2.00	$46.50
Auto & Unlimited Passengers**	$58.25	$2.75	$61.00
Motorcycles	$25.50	$1.50	$27.00
Motorcycle / Moped & Trailer / Sidecar	$38.50	$1.50	$40.00

Vehicles Other Than Autos (Including Trucks, Buses & Car / Trailer Combos)

	One-way Fare	Bridgeport Port Authority Tax	Total
Over 20 - 25', Including Driver	$66.00	$2.00	$68.00
Over 25 - 35', Including Driver	$87.75	$2.25	$90.00
Over 35 - 45', Including Driver	$107.75	$2.25	$110.00
Over 45 - 55', Including Driver	$122.75	$2.25	$125.00
Over 55', Including Driver	$147.75	$2.25	$150.00

Passenger In Auto

	One-way Fare	Bridgeport Port Authority Tax	Total
Adult	$12.50	$1.00	$13.50
Child (12yrs. or under)	No Charge	No Charge	No Charge

Foot Passenger

	One-way Fare	Bridgeport Port Authority Tax	Total
Adult	$14.75	$1.00	$15.75
Adult Round Trip Same day only	$21.00	$1.00	$22.00
Child (12yrs. or under)***	No Charge	No Charge	No Charge
Senior Citizen(60+)	$10.40	$0.60	$11.00
Senior Citizen(60+) Round Trip Same day only	$14.40	$0.60	$15.00

*Rates may be subject to a fuel surcharge depending on the fuel oil market

6. Annual Operating Revenues and Costs

Annual revenues are between $35 and $40 million. The Bridgeport & Port Jefferson Steamboat Co's General Manager Fred Hall preferred not to share information on operating costs.

7. Number of vessels dedicated to the service

There are a total of three vessels dedicated to the service. They are conventional single hull displacement vessels operating with turn-screw propulsion. The 280' Park City was commissioned in 1986 and has a capacity of up to 1,000 vehicles and 85 to 90 cars and operates with a 3,000 horsepower. The P.T. Barnum and the Grand Republic entered service in 1999 and 2003 respectively. They are identical 300' vessels with a 52' beam and a 12' draft. They operate with 6,000 horsepower turn-screw propulsion and have a capacity of up to 1,000 passengers and 120 vehicles.

8. Number of daily departures

During the peak summer season between the Fourth of July and Labor Day there are up to 15 or 16 daily departures with the full compliment of three boats. During the rest of the year the company operates a full three-boat schedule on weekends and school holidays, and a two-boat schedule with 10 daily departures during the week.

9. Annual passenger and vehicle levels

1,000,000 million passengers per year and 460,000 to 470,000 vehicles.

10. Are passengers primarily commuters or recreational trip makers?

Passengers are primarily recreational trip makers. In addition there are up to 50 walk-on commuters on an average weekday.

11. How did you obtain the right to operate this service?

Originally, permission to operate an interstate ferry service was granted by the Interstate Commerce Commission. When this commission was disbanded, the operating authority was transferred to the Surface Transportation Board, which then made the decision to deregulate the ferry industry. As a result there are no formal permissions needed to operate the Bridgeport – Port Jefferson ferry.

12. How much time does this service save passengers who would drive otherwise?

The service saves 100 miles of driving and typically saves passengers three to four hours.

13. Does the operator receive any subsidies?

No

14. Were vessel or land-side improvements needed to implement the service and, if so, who paid for those?

A new terminal building and parking facilities were built recently in Bridgeport and benefited from a total of $3.55 million in grants from the Federal Ferry Boat Discretionary Fund. The Bridgeport Port Authority was instrumental in obtaining these grants.

The Bridgeport & Port Jefferson Steamboat Co received no subsidies for the purchase of its vessel fleet.

15. Do you operate or consider this service on a stand-alone basis or as part of a larger system?

It is a stand alone service.

16. Are the vessels operating on this service used for any other purposes?

They are used for occasional charter and charity event. Mr. Hall explains that charter fees are prohibitive enough that private use is very limited. However, the company does support a number of charity events which it feels fosters good public relations.

17. Does the operator other regular ferry services?

No.

18. Does the operator also offer charter and pleasure boat services?

No, but it does operate a separate profit center that organizes bus tours to locations on Long Island and New England. The tours are designed to attract new passengers to the ferry.

19. Would the operator consider operating new ferry services? If so, what is the decision-making process you would go through before doing so?

Yes, as a whole owned subsidiary of a towing company with operations up and down the East Coast, the Bridgeport & Port Jefferson Steamboat Co would consider opening new ferry services in any location that was economically viable.

3.6 New London, CT – Orient Point, NY (privately operated)

1. Description of crossing

A 16.5 mile vehicular and passenger ferry service across Long Island Sound connecting New London, CT with Orient Point, NY in Southold township on Long Island. The crossing is completed in 70 to 90 minutes with traditional vessels or in 45 minutes on high-speed passenger-only vessels.

2. Key Success Factors

Regional demographics and geography are integral to the success of the Bridgeport – Port Jefferson ferry. The service connects major population centers in New England and Long island and enables motorists to save over 100 miles of some of the most congested driving in the United States. These factors make the service viable on a stand-alone, for-profit basis.

3. Description of operator

Cross Sound Ferry is a private, family-owned operator that has been providing service between New London and Orient Point since 1975. Cross Sound's owners also operating towing, ship yard and dry dock facilities in New London. Prior to 1975, the New London – Orient service was operated by other private owners since its initiation in the late 1800s.

4. Number of employees

During the off-season Cross Sound Ferry has approximately 280 permanent employees, of whom 12 are in management. During the peak summer months staffing expands to 400 employees.

5. Number and type of

Cross Sound Ferry operates seven traditional single hull vehicle and passenger ferries, as well as two high-speed passenger only vessels. As shown below, the tradition fleet vessels have a capacity of 22 to 120 vehicles and from 300 to 1,000 passengers. The two high-speed vessels have a capacity of 400 passengers and operate at a cruising speed of 30 knots per hour.

Ferry Specs	Cape Henlopen	John H.	Mary Ellen	Susan Anne	New London	North Star	Sea Jet	Caribbean
Length Overall (feet)	327	240	260	250	260	168	122	128
Beam (feet)	55	60	44	53	44	42	60	38
Draft (feet)	10	10	10	11	10	9	5	7
Cruising Speed (knots)	12.5	13	15	15	15	11	30	13
Date Built	1941	1989	1983	1964	1979	1968	1989	1972
Power (horsepower)	3000	3000	3100	4600	2400	1800	5000	1440
Car Capacity	90	120	85	80	60	35	0	22
Passenger Capacity	900	1000	675	840	300	300	400	120

6. Fees

Cross Sound Ferry revisits fee levels as needed based on market factors. Current fee levels are shown in the table below. Due to recent increases in fuel costs, Cross Sound has added a fuel surcharge to its base fare for the past 18 months. This is the second fuel surcharge the company has instigated since 1975. The earlier surcharge later became part of the company's overall rate.

Autos, Vans and Pickups	Current Fare	Fuel Surcharge	Total Fare
Auto and Driver	$42.00	** $2.00	$44.00
Bicycles	$3.00	$0.00	$3.00

Auto Ferry and Passenger

Adult One Way	$12.00	** $1.00	$13.00
Adult Same Day Round Trip	$20.00	** $2.00	$22.00
Child One Way	$6.00	$0.00	$6.00
Child Same Day Round Trip	$10.00	$0.00	$10.00

7. Annual Operating Revenues and Costs

As a private company Cross Sound does not generally share cost and revenue data with outsiders. Extrapolating from ridership numbers, annual revenues exceed $30 million.

8. Number of vessels dedicated to the service

7 traditional ferries. 2 high-speed ferries.

9. Number of daily departures

Cross sound operates anywhere from 12 to 29 round trip vehicular ferry departures per day, depending on the time of year. In addition to that, it operates four to six high-speed round trip departures daily.

10. Annual passenger and vehicle levels

Cross Sound Ferry carries 1.3 million passengers and approximately 500,000 vehicles per year, including some 20,000 trucks.

11. Are passengers primarily commuters or recreational trip makers?

Most passengers are recreational trip makers traveling between New England and Long Island. There are some sales people with territory on either side who use Cross Sound's service, as well as some truckers.

12. How did you obtain the right to operate this service?

Cross Sound Ferry received a Certificate of Convenience and Necessity from the now-defunct Interstate Commerce Commission when it acquired the New London-Orient ferry operation in 1975

13. How much time does this service save passengers who would drive otherwise?

Cross Sound promotes its service as saving most motorists 200 miles or over three hours of driving. These figures vary depending upon the points of origin and destination for trip makers using the ferry.

14. Does the operator receive any subsidies?

Cross Sound does not receive any operating subsidies for its service.

15. Were vessel or land-side improvements needed to implement the service and, if so, who paid for those?

Cross Sound is responsible for all of its capital improvements; both land-side and new vessel capacity. If they need financing they borrow money from commercial banks.

At one point the City of New London applied for Federal funding from the Ferry Discretionary Fund for transportation center improvements. The City gained funding but ultimately the projects were not implemented and the allocations had to be returned. Cross Sound has formulated concepts for terminal improvements in Orient. If implemented, the company will self fund these improvements.

16. Do you operate or consider this service on a stand-alone basis or as part of a larger system?

The New London-Orient ferry service is operated on a stand-alone basis.

17. Are the vessels operating on this service used for any other purposes?

Very infrequently

18. Does the operator other regular ferry services?

Cross Sound provides seasonal high-speed passenger-only service between New London and Block Island.

19. Does the operator also offer charter and pleasure boat services?

No

20. Would the operator consider operating new ferry services? If so, what is the decision-making process you would go through before doing so?

For over 20 years Cross Sound has tried to open new ferry service between New London and East Hampton on the South Fork of Long Island, near popular beach destinations. It is currently in Federal court with town of East Hampton regarding the town's ordinance prohibiting both vehicular and high speed ferry. If Cross Sound is successful in overturning the ordinance it intends to operate from a terminal located on the bay (north) side of the South Fork.

Given that Cross Sound's owners operate other towing, dry dock and ship yard facilities located in New London they would not consider operating ferry services out of any other location.

3.7 Swan Quarter – Ocracoke, NC (publicly operated)

1. Description of crossing

A23-mile vehicular and passenger ferry service across the Pamlico Sound between Swan Quarter and Ocracoke, which is the southern most inhabited island in the Outer Banks. The crossing takes approximately two and a half hours. There are no fixed connections to Ocracoke Island. The Ferry Division also provides services between Ocracoke and Cape Hatteras and Cedar Island. The island is also accessible by private boat or air craft.

2. Key Success Factors

The economic support of the North Carolina Department of Transportation Ferry Division is integral to the success of the heavily subsidized Swan Quarter – Ocracoke ferry. However, given the popularity of the Outer Banks Islands and the fact that Ocracoke has no fixed connections to other islands or the mainland, it is likely that in the absence of public ferry service, private service would be viable.

3. Description of operator

The N.C. Department of Transportation's Ferry Division operates seven ferry routes with a fleet of 24 vessels divided into three classes. Ferry service in the Outer Banks began in the mid 1920s when a private operator, Captain J.B.(Toby)Tillett, established tug and barge service across Oregon Inlet along the Outer Banks. Recognizing the importance of this service, the North Carolina Highway Commission began to subsidize Tillett's operation in 1934, and then eliminated tolls

entirely in 1942 when it began to subsidize all of Tillett's costs until 1950, when it purchased the operation. Three years earlier the commission purchased a private service to Roanoke Island. These services became the first routes of the North Carolina Ferry System. Today North Carolina ferries transport over 1.1 million vehicles and more than 2.5 million passengers across five separate bodies of water on seven different services.

4. Number of employees

The Ferry Division has a permanent work force of 350 to 360 people. Of these 20 are executives, 250 operate and maintain its vessel fleet, and 70 are office and sales staff. During the summer months when service frequencies increase the labor force expands to approximately 400 people. Of these, approximately 150-200 people are needed to operate the Ocracoke, Cedar Island and Swan Quarter based services. Given Coast Guard regulations dictating the number of hours boat crews can work, the Ferry Division provides two crews and two shifts for each service, working seven days on seven days off.

5. Number and type of Vessels

The Ferry Division operates three of its "Sound Class" vessels on the Swan Quarter – Ocracoke service from Memorial Day through Labor Day, and two vessels during the remainder of the year. One vessel can make two round trips per day. The Ferry Division had a total of five Sound Class Vessels. They are also used on the Cedar Island Ocracoke service.

6. Fees

The Swan Quarter – Ocracoke ferry service is one of three routes for which the Ferry Division charges a fee for passage. Other routes are free. Toll rates need to be approved by the State and are not increased frequently. The most recent increase was in 2006.

Pedestrian	$ 1.00
Bicycle Rider	$ 3.00
Motorcycles	$10.00
Vehicle and/or combination less than 20'	$15.00
Vehicle and/or combination 20' up to 40'	$30.00
Vehicle and/or combination over 40' up to 65'	$45.00

7. Annual Operating Revenues and Costs

The NCDOT Ferry Division advises that due to accounting procedures it is best to consider operating costs and revenues for the Swan Quarter – Ocracoke service together with that for their Cedar Island – Ocracoke service, as these two runs linked.

For Fiscal Year 07 (July 1, 2006 to June 31, 2007) operating costs associated with these services totaled over $8.9 million, while revenues were $1.4 million, as shown below.

	Operating Costs *(FY07)*	**Revenues** *(FY07)*
Swan Quarter	$ 944,000	$153,619
Ocracoke	$2,833,000	$681,290
Cedar Island	$5,126,000	$584,458

Totals	***$8,903,000***	***$1,419,367***

8. Number of vessels dedicated to the service

Three in summer. Two during the rest of the year. Taken as a whole, two boats operate out of Cedar Island and Ocracoke, while one is based in Swan Quarter.

9. Number of daily departures

Eight departures per day (four in each direction) from Memorial Day through Labor Day.

Four departures per day (two in each direction) during the remainder of the year.

10. Annual passenger and vehicle levels

	Passengers *2006*	**Vehicles** *2006*
Swan Quarter	24,663	12,468
Ocracoke	115,070	48,751
Cedar Island	96,673	39,716
Totals	***236,406***	***100,935***

11. Are passengers primarily commuters or recreational trip makers?

Most passengers are recreational trip makers, but the service is also used by island residents. The Ferry Division does sell discounted books of tickets for frequent users. Ocracoke is part of Swan Quarter township and the town seat is in Swan Quarter, so island residents need to make periodic trips to complete their business with the township. They also make period shipping and medical related trips to the mainland.

12. How did you obtain the right to operate this service?

It is granted by the State of North Carolina to the Department of Transportation.

13. How much time does this service save passengers who would drive otherwise?

There are no fixed crossings between Ocracoke and the mainland or other islands in the Outer Banks

14. Does the operator receive any subsidies?

Ferry service in North Carolina is heavily subsidized by the State DOT, which provides an annual appropriation for the Ferry Division. North Carolina looks at ferries as an essential extension of the highway system and accepts the need to subsidize its operation. Annual operating costs for all of the Ferry Division's operations are approximately $30,000,000 compared to annual system-wide fare revenues of $2.2 million. Each year the Ferry Division carries over two million passengers and more than one million vehicles.

15. Were vessel or land-side improvements needed to implement the service and, if so, who paid for those?

Periodic capital improvements are made to support ferry services in North Carolina and approved by the Board of Transportation of the State DOT. Capital funds are distributed across all divisions of the State DOT. Divisions must schedule their projects to fit within their allocations. Capital improvements for the Ferry Division are paid for with a combination of Federal and State funds and are also likely to involve a contribution from the Ferry Service budget.

North Carolina's experience with monies from the Federal Ferry Boat Discretionary (FDB) Program is that the monies are not distributed proportionally to actual needs. Moreover, when a grant is made there are often deductions made to the amount. Normally there are earmarks, but there is no earmarked money in 2007. The Ferry Division usually puts applications in every year. They have received grants to support ferry construction, terminal and ship yard work.

16. Do you operate or consider this service on a stand-alone basis or as part of a larger system?

The service is considered to be part of a larger system.

17. Are the vessels operating on this service used for any other purposes?

Vessels are used for functions one or two times a year. The Ferry Division is trying to limit such activities, as they are a drain on its budget and staff resources

18. Does the operator other regular ferry services?

Yes.

19. Does the operator also offer charter and pleasure boat services?

No.

20. Would the operator consider operating new ferry services? If so, what is the decision-making process you would go through before doing so?

No.

3.8 Brooks, OR – Wheatland, OR (publicly operated)

1. Description of crossing

The Wheatland Ferry operates across the Willamette River in northwest Oregon, approximately five miles north of the city of Keizer and connects rural areas in Marion and Yamhill Counties. It is mutually owned by the two counties and operated by Marion County. The crossing is approximately 250 feet wide and takes 2 minutes. The service operates on a daily basis from 5:45 a.m. to 9:45 p.m. The ferry is closed on Christmas and Thanksgiving and often for a number of days in the winter due to high water.

2. Key Success Factors

Financial support from Marion and Yamhill Counties.

3. Description of operator

The Wheatland Ferry is operated by the Marion County Department of Public Works.

4. Number of employees

Between 5 and 10.

5. Number and type of Vessels

A single, 9-vehicle, 50-passenger vessel – the Daniel Matheny V – operates on the service. The vessel has two on-board electric motors powered by a 100 kW diesel generator. It is also attached to an overhead steel cable system to keep it from drifting downstream.

6. Fees

Fees were increased in mid 2007 and are as follows:

Pedestrian	Free
Bicycle	Free
Motorcycle	$ 1.00
Vehicle (with or without trailer and overall length):	
Less than 22 feet	$ 2.00
Less than 42 feet	$ 4.00
Greater than 42 feet	$ 6.00

Dual Axle Vehicle	$ 6.00
Single vehicle using entire ferry or over 65,000 lbs.	$18.00

Maximum vehicle weight 80,000 lbs (40 tons)
Maximum vehicle length 60 feet

7. Annual Operating Revenues and Costs

Annual operating revenues are approximately $550,000. Operating costs are between $650,000 and $700,000.

8. Number of daily runs

Runs continuously – approximately 80 crossings carrying 600 to 700 vehicles per day.

9. Annual passenger and vehicle levels

260,000 vehicles

10. Are passengers primarily commuters or recreational trip makers?

Most passengers are commuters. They include residents of rural Yamhill County who work in the greater Salem area in Marion County. The service is also used by agricultural workers.

11. How did you obtain the right to operate this service?

The Wheatland ferry has been operating continuously since 1844 and was privately operated until 1936 by the Matheny family. At that time the existing vessel needed to be replaced, but the Mathenys were unable to afford the cost. Instead, they sold the service to Marion and Yamhill counties for one dollar, and the counties made the necessary improvements – including the installation of the cable guidance system – and took over the operation of the route. The original service began before Oregon received its statehood and did not involve formal approvals or permits. Since assuming the operation of the Wheatland Ferry, Marion County has obtained required permits from the U.S. Army Corps of Engineers in compliance with Section 10 of the Rivers and Harbors Act of 1899.

12. How much time does this service save passengers who would drive otherwise?

The Wheatland ferry saves users approximately 45 minutes per crossing. The nearest bridges across the Willamette River are approximately 10 miles in either direction from the ferry. Most motorists would need to travel an additional 20 miles to use the bridges.

13. Does the operator receive any subsidies?

Fares were just raised on the Wheatland Ferry in mid 2007. However, it is likely that there will continue to be a modest gap between annual revenues and operating costs which are between $650,000 and $700,000 per year. Receipts from the County Road Tax cover the gap.

FTA has provided 80 percent of the funding major capital improvements, with Marion County providing the remaining 20 percent.

14. Were vessel or land-side improvements needed to implement the service and, if so, who paid for those?

A new nine-vehicle ferry was commissioned in 2002, replacing a smaller six-vehicle vessel. Landing improvements were made at the same time to accommodate the new ferry. The

combined cost of the new ferry and landside improvements was $1.8 million, which was split 80 to 20 percent by FTA and Marion County.

15. Do you operate or consider this service on a stand-alone basis or as part of a larger system?

Marion County operates one additional ferry service across the Willamette River to the southwest, but keeps separate cost accounts for both services. Senior Ferry Operator Ed Watson states that the Wheatland Ferry is viewed as an integral portion of the local roadway network.

16. Are the vessels operating on this service used for any other purposes?

No.

17. Does the operator other regular ferry services?

No.

18. Does the operator also offer charter and pleasure boat services?

No.

19. Would the operator consider operating new ferry services? If so, what is the decision-making process you would go through before doing so?

No.

3.9 Boston, MA – Provincetown, MA (privately operated)

1. Description of crossing

Between Boston and Provincetown, the first fastest and most luxurious 90-minute high speed passenger only catamaran service ("The Salacia"). The luxury ferry is equipped with cushioned airline and booth style seating, air conditioning, audiovisual system with satellite television, full cash bar and gourmet snacks. Concierge desk is also located on the vessel's second deck to assist patrons with information on area restaurants, points of interest, hotel accommodations, etc.

2. Key Success Factors

Local geography and demographics together with the popularity of Cape Cod as a seasonal tourist destination and traffic congestion are key to the success of the Boston Provincetown ferry as a private, for-profit service.

3. Description of operator

Boston Harbor Cruises

4. Number of employees

NA

5. Number and type of Vessels

The Salacia is a high-speed luxury catamaran, holding up to 600 people and can travel up to 40 knots.

6. Fees

Updated 2007 Fee Schedule*

Round Trip	
Adults	$70.00
Seniors	$65.00
Child	$60.00**

One Way	
Adults	$45.00
Seniors	$40.00
Child	$35.00**
Bike	$5.00 each way

Ten Ride	$300.00 each

* Includes a $0.50 embarkation fee to the Town of Provincetown
* Rates may be subject to a 10% fuel surcharge
**Rates apply to children ages 4-12yrs.

7. Annual Operating Revenues and Costs

NA

8. Number of vessels dedicated to the service

There are 19 traditional vessels and 4 high-speed catamarans in BHC's fleet.

9. Number of daily runs

Services provide one to three daily runs per terminal depending on the time of year and weekend or weekday.

10. Annual passenger and vehicle levels

68,000 annual passengers.

11. Are passengers primarily commuters or recreational trip makers?

Recreational trip makers.

12. How did you obtain the right to operate this service?

NA

13. How much time does this service save passengers who would drive otherwise?

Overland the trip between Boston and Provincetown is 116 miles and takes two and a half hours if traffic is not congested. The ferry saves an hour of travel time during uncongested periods, and much more during peak periods such as summer weekends when congestion on the Bourne and Sagamore Bridges across the Cape Cod Canal is notorious.

14. Does the operator receive any subsidies?

NA

15. Were vessel or land-side improvements needed to implement the service and, if so, who paid for those?

NA

16. Do you operate or consider this service on a stand-alone basis or as part of a larger system?

NA

17. Are the vessels operating on this service used for any other purposes?

Vessels are also used for charter events and private events like weddings, corporate functions, holiday functions, student dance cruises, etc.

18. Does the operator other regular ferry services?

Other ferry services offered are whale watching, harbor cruises (Sunset Cruise, Historic Sightseeing Cruise, Lighthouse Cruise, USS Constitution Cruise, and Charles River Tour) and rides on the "Codzilla."

19. Does the operator also offer charter and pleasure boat services?

Yes (see above).

20. Would the operator consider operating new ferry services? If so, what is the decision-making process you would go through before doing so?

NA

3.10 Summary

From the review of peer ferry services around the country three primary models for providing ferry service can be identified, together with the conditions that support them:

Private Ferry Service
When demand is strong enough to support high fare levels, private, for-profit ferry service can be successful on both passenger-only commuter services, as well as longer recreational routes providing both traditional vehicular and passenger service or high-speed passenger-only service. Public agencies sometimes help fund or intervene to obtain federal funding for land-side terminal improvements benefiting these private ferry services. Private ferry operators tend to be subsidiaries of larger maritime companies involved in towing or operating ship yard facilities.

Publicly Operated Ferry Service
In situations where ferry service performs as an essential extension of the local transportation network state DOTs or other public agencies often make the decision to operate ferry service directly as an essential public service. The public ferry model is used in situations where ferry service is the only means of access to island or isolated mainland locations, as well as others where overland routes are not practical and ferry service is essential to the regional economy and way of life. State DOTs including North Carolina, Washington, and Alaska have established ferry operating divisions to provide low-cost ferry service to such locations. In many cases the establishment of state ferry divisions has involved taking over services that were previously operated by private ferry companies that would otherwise have to increase fares in order to remain in operation or others that were unable to make the major capital expenditures to replace aging vessels to continue their service. All of the publicly operated services require financial support beyond what is available from fares for both capital and operating expenditures.

Privately Operated Ferry Service with Public Support
In situations where private ferry service is not financially viable on a stand-alone basis, or in others where local governments want to introduce new and reasonably-priced waterborne transit alternatives, public funds are used to help underwrite the costs incurred by private ferry operators. Publicly supported models often involve a municipality or local transit authority awarding a concession to a private ferry service provider who is then required to meet prescribed operating requirements. Other types of financial support can be used, including outright grants and capital funding for both land-side facilities and vessels.

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4 Current Status, Summary of Lessons Learned, and Next Steps

This final chapter of the Cross-Bay Ferry Baseline Study identifies the types of new trans-bay ferry service being considered in Maryland and synthesizes lessons learned from the review of peer ferry operations in Chapter 3. The intent is to assess under what conditions the services under consideration by Maryland would be viable, identify strategies the state can take to enhance their success, and suggest a path for moving forward.

4.1 Possible Trans-Chesapeake Ferry Services

Five of the six reports reviewed in Chapter 2 assess recreational services across the mid to southern sections of the Chesapeake using traditional vehicular and passenger vessels. The most viable termini appeared to be:

- The 30-mile crossing between Reedville, Virginia and Crisfield, Maryland or
- The 30-mile crossing from Chesapeake Beach, Maryland to Cambridge, Maryland.

The Crisfield-Reedville route was found to have positive economic benefits for Reedville, Virginia. However, there appears to be little support in Virginia for a ferry terminal in Reedville, which is a significant obstacle to implementation. In addition, coordinating the roles and programs of the two states would pose a challenge. The Chesapeake Beach-Cambridge route was found to have the greatest potential to break even financially with annual ridership figures of up to 305,000 passengers and 335,000 vehicles.

Although the more recent report prepared by the Ad Hoc High Speed Ferry Committee in November 2007 does not provide ridership or cost estimates, it suggests further study of a triangular commuter routing using higher speed passenger-only vessels between Baltimore, Annapolis, and Rock Hall. The segment between Rock Hall and Baltimore is approximately 19 miles and could be covered in 40 minutes using a high-speed vessel.

The major implementation challenges for new trans-Chesapeake ferry services are public acceptance and financial feasibility. Regarding public acceptance, the key issue is typically the siting of terminals. Ferry terminals, with associated vehicular traffic, are often considered poor neighbors. Several communities, particularly those in Virginia have been opposed to siting new terminals and related parking on sensitive waterfront locations. Opposition to terminals may be reduced in harbor sites with existing marine facilities.

Regarding financing, the large upfront investment for terminals and vessels together with the high cost of operating ferry services makes the financial feasibility of operating new ferry services between small to mid sized communities along the Chesapeake uncertain. At best, the studies reviewed indicate that the most promising services might have the potential to recuperate operating costs, but not capital investment requirements.

The studies reviewed offered a variety of solutions to bridge funding gaps. These include implementing ferry service as public-private partnerships where both the state and the private partner share the financial responsibility of putting the service in place; integrating ferry service into the public transportation system; and creating multi-use pier facilities that may have the potential to generate income from other sources and support efficient operations and maintenance of the ferry services.

4.2 Success Factors

In order to inform decisions on potential ferry service in Maryland, MDOT has undertaken this benchmarking study to identify the catalysts that make other ferry services similar to those being considered in Maryland successful. From the peer ferry service profiles provided in Chapter 3 we see that certain success factors pertain to specific types of operators, while others are universal.

Universal Success Factors

Whether public or private, regional demographics and geography play fundamental roles in the success of all ferry services. When the geography of a region poses challenges for residents to make journey to work trips or recreational trip makers to travel to their destinations, ferry service can provide invaluable time savings and an alternative to congested roads. In some situations, ferry service can save commuters up to two hours, as is the case in Seattle where overland trips from the Kitsap Peninsula to Seattle are over sixty miles, involve a $3.00 eastbound toll, and can take upwards of two hours during peak periods. In other cases, such as on Long Island, ferry service can save motorists up to 100 miles of congested driving through greater New York City and Long Island. These fundamentals – distance and travel time savings for trip makers between high demand markets – make any ferry service viable. In certain cases these types of services may be left to the private sector to operate as profitable business. In others, local decision makers may choose to have them operated by the public sectors in order to keep costs low and support regional economic sustainability and way of life.

Prior to 1952, the geography and demographics of the Chesapeake Bay region were such that ferry service provided a significant savings in travel time and there was a thriving ferry service connecting the western and eastern shores. However, with the construction of the William Preston Lane Memorial Bridge, the comparative advantage of the ferry service was either eliminated or dramatically curtailed for all trips.

Private Ferry Services

The private ferry services reviewed fall into a number of categories. The most robust are private, for-profit companies operating high-volume and relatively high-cost services in markets where there is high demand and a distinct competitive advantage to ferry service compared to overland routes. These can occur with predominantly recreational services between major markets, such as the services operated between Connecticut and Long Island and those between Boston and Provincetown on Cape Cod, as well as commuter services. While there is variety in the type of services these operators provide – traditional vehicular and passenger vessels vs. high-speed passenger-only vessels and seasonal vs. year round service – the constants are a high demand for the service and the comparative advantage that allows ferry operators to charge high rates.

In other circumstances, public entities contract with private operators to provide subsidized ferry services on their behalf. This is the case with the Baylink service between Vallejo and San Francisco, which is operated by Blue and Gold Fleet for the City of Vallejo. Under this model, the public entity provides an agreed upon subsidy to the private operator covering all or a part of its costs to operate commuter ferry service. In some cases, private ferry services have also benefited from public grants for capital improvements. Local governments have been successful in applying for and receiving grants from U.S. DOT's Ferry Boat Discretionary Fund and using them for land side improvements, such as the City of Bridgeport, Connecticut which obtained $3.55 million in Federal funding for terminal and security improvements for the privately operated Bridgeport—Port Jefferson service.

Some private operators also offer other charter and pleasure services, such as Boston Harbor Cruises, which offers luxury cruises to Provincetown, MA, sunset cruises, historical/sightseeing cruises, and whale watching tours. Vessels can also be chartered for other charter and private events such as weddings, student dances cruises, and corporate and holiday functions. However, in order to be affordable to customers and profitable to the operator such services are operated from smaller vessels with lower operating costs. Private operators using larger vessels such as those on the New London – Orient, Long Island and Bridgeport – Port Jefferson services do not generally offer charter or pleasure services.

Public Ferry Services

In Washington and North Carolina ferry service is considered to be an essential extension of the local transportation network and, as such, heavily subsidized ferry service is provided directly by

the state. These networks began as private services and were ultimately taken over by the state in order to keep them affordable and maintain frequent service. This model has also been followed in rural Oregon, where two county governments agreed to take over a private ferry service across the Willamette River in 1936 when the family that had operated it for 92 years could not afford to purchase a replacement vessel. In Delaware and New Jersey a different model was followed. In this case a bi-state authority was established to develop a new bridge, but part of its mandate to provide both maritime transportation services across the Delaware Bay as a means to support the regional economy, with bridge tolls used to subsidize the service. In each of these cases, compelling economic rationales, institutional structures, and historical precedent have been important factors behind t supporting publicly provided ferry services.

In other settings, local and state governments have made the decision to partially subsidize new ferry services when these services help support regional transportation goals. This model is followed in Boston where the Massachusetts Bay Transportation Authority (MBTA) contracts with a private operator to provide commuter service between Hingham and Downtown Boston, as well as in Vallejo, California, where the City has retained the service of a private ferry concessionaire that operates commuter service to San Francisco.

Today, the San Francisco Bay Area provides yet a new rationale for publicly funded ferry service with the Water Emergency Transportation Authority (WETA). Signed on October 15, 2007 CA Senate Bill 976 consolidates five of the San Francisco Bay Area ferry service operations to form an emergency response and strategic planning authority in preparation for an anticipated earthquake with potential effects comparable to Hurricane Katrina. Under WETA, these ferry operators have access to funding from toll-backed bond proceeds to expand ferry service and infrastructure. The proposed vision is to add 30 new ferry terminals (including portable terminals) in locations around the Bay Area, together with a fleet of 88 new vessels in the next 5-6 years. Vessels will include high speed passenger ferries, quiet next-generation hovercraft vessels, and roll on roll off cargo hovercrafts. It is not clear how this expansion will interface with the ridership, operating costs, and day-to-day functions of the five service providers forming WETA. For more information on WETA, please see Appendix A.

4.3 The Current Context for Trans-Chesapeake Ferry Service in Maryland

As described earlier, Maryland has undertaken a number of feasibility studies investigating potential ferry services across the Chesapeake over the past 20 years. Under the best of circumstances, traditional longer distance passenger and vehicular service may have the potential to recover its operating costs but not the significant capital costs that would be required to implement trans-Chesapeake ferry service. Other regional transportation stakeholders, including the Virginia Department of Transportation and the Northern Neck Planning District Commission, have also commissioned studies leading to similar conclusions, but the region has lacked the momentum needed to carry any of these concepts into implementation.

With the introduction of the O'Malley Administration in Maryland state government, there is new interest in trans-Chesapeake ferry service as a means to ease congestion on the Chesapeake Bay Bridge, provide new transportation alternatives, and foster smart growth and environmental sustainability throughout the East Bay. Concurrently a group of ferry supporters has formed an ad hoc committee advocating consideration of a) high-speed passenger ferry service serving commuters traveling between Baltimore, Annapolis and Rock Hall and its hinterlands in the northern reaches of the East Bay in Kent and Queen Anne's Counties, and b) a slower vehicular ferry crossing in the southern Bay.

Potential to Reduce Traffic Volumes on the Nearby Highway Network

In response to the Governor's vision of using ferry service to reduce congestion across the

Chesapeake Bay Bridge, one element of the current study has been to undertake a qualitative assessment of the potential ability of such operations to reduce traffic volumes on the trans-bay highway network. In this regard, it is pertinent to note that seven of the previous studies on this subject conducted since the year 2000 generated estimates of the number of vehicles that might be diverted to new ferry service. On an annual basis, these estimates ranged from 58,000 to 335,000 one-way trips depending upon the specific nature of the services and assumed fare levels. In 2007 traffic volumes on the Chesapeake Bay Bridge are expected to reach 13.5 million one-way trips. Therefore, potential ferry services would ease traffic volumes on the bridge from a low of 0.4 percent to a high of 2.5 percent under the most optimistic assessment. These modest diversion numbers indicate that potential trans-bay ferry service has a very limited ability to reduce traffic congestion and that the relief of Bay Bridge traffic conditions should not be relied upon as a major justification for such service.

Recommendations for Potential Models for Implementing Trans-Chesapeake Ferry Service in Maryland

Some important conclusions on potential models for implementing new ferry services across the Chesapeake can be drawn from the peer review provided in Chapter 3 of this report. As noted in the synthesis of Chapter 3, there are three primary models for delivering ferry service in the United States:

- Privately Operated Ferry Service
- Publicly Operated Ferry Service
- Privately Operated Ferry Service with Public Support

Past investigations of potential trans-Chesapeake ferry services in Maryland have found while there is a reasonable market for recreational routes this type of service would not be feasible on a stand-alone basis. As a result, the private development model is not possible in Maryland. Similarly, given that there are no ferry services currently operating across the Chesapeake and, given that new ferry routes would only be used by a small fraction of trans-bay trip makers, it is not likely that it would be cost-effective for MDOT to establish its own ferry division to provide this type of service directly. Therefore, the most viable means for implementing new ferry services across the Chesapeake would appear to be a public support model where a public agency enters into a contractual arrangement with a private to operator to provide new trans-bay services with the benefit of public financial assistance.

4.4 Next Steps

Moving forward, the next steps in the process of exploring new trans-Chesapeake ferry service in Maryland involve exploring the possibility of implementing publicly supported commuter or recreational ferry service. The study team recommends restricting the focus of these investigations to those services which have appeared most promising from past studies, together with those for which current interest is greatest. Furthermore, in order to simplify institutional issues and avoid past public acceptance issues in Virginia, we recommend that MDOT limit further consideration to ferry services with termini located in the state of Maryland.

Using these metrics, two possible services are suggested for further consideration:

1. A 30-mile traditional recreational vehicular and passenger service from Chesapeake Beach to Cambridge; and
2. A higher speed, 19-mile, passenger-only, commuter service between Baltimore and Rock Hall, with possible additional connections to Annapolis.

The following issues need to be addressed for both potential services:

1. Identify the public agencies that would be logical sponsors of recreational and commuter ferry service

2. Identify federal, state and local funding sources – both capital and operating – that could be used to support the two candidate ferry operations
3. Identify models for procuring publicly supported ferry operations
4. Determine the level of private sector interest in operating the candidate services
5. Identify the level and type of public assistance needed to make subsidized ferry service financially viable.

Step 1: Identify public agencies to sponsor recreational and commuter ferry service

MDOT should vet this issue internally. It would appear that the Maryland Transit Administration (MTA) may be a logical choice to contract with a private operator to provide ferry service on the Chesapeake Bay. Ferry service is a form of mass transit, albeit with a distinctive vehicle. Further, MTA has extensive experience in managing contracts with private parties governing the provision of transportation services through many of its programs, including MARC, commuter bus and mobility/paratransit. As the owner and operator of the Chesapeake Bay Bridge, it is possible that the Maryland Transportation Authority (MdTA) could sponsor or provide funding for potential trans bay ferry services. However, the Authority's Trust Agreement requires that transportation facilities projects achieve operating revenues at least equal to operating costs by the fifth year of operation. Also, consideration of MdTA funding would require the involvement of the Authority's board members.

Step 2: Identify federal, state and local funding sources.

Federal Funding

Federal Ferry Boat Discretionary Fund is the primary source of federal funding for ferry services in the United States. In some cases, subsidies can provide up to 80 percent of funding sources. SAFETEA-LU provides $38 million in fiscal year 2005 and an increasing amount in each of fiscal years 2006 through 2009 for the construction of ferry boats and ferry terminals in accordance with 23 U.S.C. 147. Under the provisions of SAFETEA-LU section 1102(f), Redistribution of Certain Authorized Funds, any funds authorized for the program for the fiscal year, which are not available for obligation due to the imposition of an obligation limitation, are not allocated for the FBD program, but are redistributed to the States by formula as STP funds. In addition, under the provisions of 23 U.S.C. 147(d), $20 million of the available funding in each of fiscal years 2005 through 2009 shall be set aside for marine highway systems that are part of the NHS for use by the States of Alaska ($10 million), New Jersey ($5 million), and Washington ($5 million). After applying the obligation limitation and then setting aside the $20 million for Alaska, New Jersey and Washington, the remaining funds are available for funding projects.

Given that it does not currently sponsor ferry service, it is recommended that MDOT inquire with the Federal Highway Administration (FHWA) regarding the possible use of Federal ferry funds in Maryland as FHWA administers the Ferry Boat Discretionary Fund on behalf of U.S. DOT. Funds are allocated to those ferry systems, and public entities responsible for developing ferries, that:

1. Provide critical access to areas that are not well-served by other modes of surface transportation;
2. Carry the greatest number of passengers and vehicles; or
3. Carry the greatest number of passengers in passenger-only service.

Additional information on the Federal Ferry Boat Discretionary Fund is provided in Appendix B of this report.

State and Local Funding

It seems highly likely that the source of state funding would be MDOT, acting through the Transportation Trust Fund and/or MdTA. It may also be worth considering the provision of local

government funding support, perhaps in connection with terminal facilities. Local support could be in the form of direct funding or in-kind services such as access improvements to terminals.

Step 3: Identify Models for Procuring Subsidized Ferry Operations

The study team suggests that MDOT investigate the models that other public agencies such as MBTA and the City of Vallejo have used to procure subsidized ferry operations. Further information on this subject could be obtained from FHWA officials familiar with ferry services operating around the country and through inquiries with other public agencies sponsoring recreational or commuter ferry services. Finally, inquiries could be made with private companies currently operating ferry services on behalf of public agencies.

Steps 4 and 5: Determine the level of private sector interest in candidate services and the level and type of public assistance needed to make them financially viable

The study team recommends that MDOT invite private sector ferry operators to submit written expressions of interest to provide and indication of their interest in operating either of the candidate ferry services, together with information on the type and level of support that they would require to do so. Following the submittal of written statements MDOT could obtain further information by inviting companies submitting them to participate in informational interviews.

MDOT recently conducted such an exercise in connection with the provision of Express Toll Lanes and transit service in the I-270 multimodal transportation corridor. Prospective concessionaires provided a wealth of information to assist in the further consideration of those projects. One of the lessons learned from the process, however, is that the private sector responds best to a specific project, as opposed to a general solicitation of interest in an entire corridor. In the context of cross-bay ferry service, this would suggest that MDOT should solicit expressions of interest in specific routes and terminals rather than interest in cross-bay ferry service in general.

TP3 Program

If the RFEI process was judged to be successful, Maryland's Transportation Public-Private Partnership (TP^3) program would provide an appropriate vehicle for proceeding to procure such services. TP^3 under the guidelines and authority of the Maryland Transportation Article, Section 4-205 and 4-312. Under the guidelines, "acting on behalf of the Maryland Department of Transportation (MDOT), the MdTA has the power to enter into Transportation Public-Private Partnership agreements to allow private entities to acquire, finance, construct and/or operate a new transportation facilities project or the major rehabilitation/expansion of an existing transportation facility as described in Section III "Transportation Facilities."[1] Proposers may include any person, corporation, limited liability company, partnership, joint venture or other private business entity. Proposers follow a two step process comprised of (1) a conceptual proposal including but not limited to qualifications and experience, project characteristics, financing, public support and project compatibility with existing and planned infrastructure and (2) an outline of specific deliverables including but not limited to total life-cycle costs, evidence of local government support and a plan to acquire all necessary property. All projects must be consistent with and must eventually be incorporated into Maryland's Transportation Program, and shall comply with all applicable federal, state and local laws and regulations, including the recently enacted "Smart Growth" legislation. For more details on the TP^3 program and requirements, please see Appendix C.

[1] MdTA Transportation Public-Private Partnership Guidelines, p.3.

Appendices

Appendix A

Water Emergency Transportation Authority (WETA) Memorandum

To: Maryland Department of Transportation

From: **Tiffany Batak**

Through: Wayne McDaniel, Principal Consultant
Benjamin Perez, Consultant

Date: November 9, 2007

Subject: Water Emergency Transportation Authority (WETA)

Following the October 26, 2007 meeting with the Maryland Department of Transportation, additional information on the new water transportation authority in the San Francisco Bay Area was requested in the analysis of peer ferry services. The purpose of this informational memorandum is to bring forth innovative practices and processes that enhance ferry operations to help inform Maryland in decisions moving forward.

Overview

On October 15, 2007 Governor Schwarzenegger signed Senate Bill 976 (Torlakson, D-Antioch) establishing the Bay Area's first new transportation authority of the 21st century – the Water Emergency Transportation Authority (WETA). SB 976 consolidates all existing state-funded Bay Area ferry services under the authority and control of WETA, including the Water Transit Authority, Alameda/Oakland Ferry, Vallejo Baylink Ferry and the Harbor Bay Ferry. The Bill also designates WETA as the lead agency to plan and coordinate emergency response transportation on the bay under a state-appointed five member Board of Directors. WETA is also the only water transportation entity eligible to receive Bay Bridge toll revenues and emergency response water transportation capital funds from the infrastructure bonds passed last November in the amount of $250 million.

Background

The push for WETA began as a result of the disaster left by Hurricane Katrina. In preparation for the region's anticipated natural disaster to come - a 1906-sized earthquake in the next 25 years, the Bay Area, intends to learn from the failures identified in the New Orleans' emergency preparedness and response systems. The region intends to (1) protect itself with the necessary infrastructure, equipment and emergency transportation and (2) ensure that the governments at all levels establish clear lines of legal authority and lines of communications to deal with the catastrophic conditions.

One of the first action steps taken was the formal request by Senator Perata to the Bay Area Council to evaluate and make recommendations to better prepare the region for a disaster. Thus, the Bay Area Council assembled a Blue Ribbon Task Force who extensively consulted with

planning and emergency response agencies, earthquake risk and vulnerability experts, and vessel suppliers and operators.

Experts cautioned that the regional transportation system would not survive intact and it will be necessary to move people, emergency supplies and goods around the region on water. In addition to the FEMA-predicted 5,000 deaths, 18,000 hospitalizations and 165,000 people made homeless by a major earthquake, the region is expected to also face a major transportation debacle. A study conducted by the Association of Bay Area Governments (ABAG) concluded that more than 1,700 roads will be closed by a major earthquake on the Hayward Fault and soil liquefaction will make many key roads and bridge approaches impassable. U.S. Geological Survey also warns that all transbay bridges will be closed, either by bridge damage or access-road failure.

Prior to WETA, no detailed plan or identified leader to activate and coordinate the various public and private ferry owners and operators existed. Additionally, current ferry termini sites on the bay lack the capacity to make up for even one out-of-service bridge. In response, the Blue Ribbon Task Force on Disaster Recovery Water Transit authored a report titled, "The Bay – The Transportation Spine for Disaster Recovery." This report proposed 30 new terminals (including permanent and portable terminals) and a fleet of 88 new vessels to be produced in the next 5-6 years including high speed passenger ferries, quiet next generation hovercraft vessels, and roll on roll off cargo hovercrafts. With the signing of SB 976, WETA is expected to meet not only the most important transbay emergency response and recovery transportation needs to protect the Bay Area and its residents, but also provide congestion relief with one of the most comprehensive water transit services in a region with the second worst traffic in the nation.

Next Steps

The following outlines significant next steps for WETA:

- January 1, 2008 WETA will officially come into existence. The Governor, Senate, and Assembly will have 10 days to appoint the five members of the Board of Directors. All contracts and activities of the current Water Transit Authority transfer in force to WETA and are continued.

- Within 12 months, WETA will prepare a transition plan to consolidate the Oakland/Alameda, Harbor Bay, and Vallejo Ferries.

Within 18 months, WETA will prepare an emergency response and recovery water transportation plan.

Appendix B

Federal Ferry Boat Discretionary (FBD) Program Information, March 2007

Background:

The Ferry Boat Discretionary (FBD) Program, which provides a special funding category for the construction of ferry boats and ferry terminal facilities, was created by section 1064 of the Intermodal Surface Transportation Efficiency Act of 1991 (1991 ISTEA, Public Law 102-240). Section 1207 of the Transportation Equity Act for the 21st Century (TEA-21, Public Law 105-178) reauthorized the FBD funding category through FY 2003. It was continued through the Surface Transportation Extension Acts and section 1801 of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), which added the program to 23 U.S.C. as section 147, "Construction of ferry boats and ferry terminal facilities."

Statutory References:

23 U.S.C. 147; 23 U.S.C. 129(c); SAFETEA-LU Sections 1101(a)(13) and 1801

Funding:

Fiscal Year	2005	2006	2007	2008	2009
Total Authorization	$38M	$55M	$60M	$65M	$67M
NHS Set-Aside	$20M	$20M	$20M	$20M	$20M

SAFETEA-LU provides $38 million in fiscal year 2005 and an increasing amount in each of fiscal years 2006 through 2009 for the construction of ferry boats and ferry terminals in accordance with 23 U.S.C. 147. Under the provisions of SAFETEA-LU section 1102(f), Redistribution of Certain Authorized Funds, any funds authorized for the program for the fiscal year, which are not available for obligation due to the imposition of an obligation limitation, are not allocated for the FBD program, but are redistributed to the States by formula as STP funds. In addition, under the provisions of 23 U.S.C. 147(d), $20 million of the available funding in each of fiscal years 2005 through 2009 shall be set aside for marine highway systems that are part of the NHS for use by the States of Alaska ($10 million), New Jersey ($5 million), and Washington ($5 million). After applying the obligation limitation and then setting aside the $20 million for Alaska, New Jersey and Washington, the remaining funds are available for funding projects.

Federal Share:

In accordance with 23 U.S.C. 147(b), the Federal share of the costs for any project eligible under this program is 80 percent. Under the provisions of 23 U.S.C. 120(h), the Federal share of the

costs for any project in American Samoa, Guam, Commonwealth of the Northern Mariana Islands, or the U.S. Virgin Islands shall be 100 percent.

Obligation Limitation:

The FBD funds are subject to obligation limitation; however, 100 percent obligation authority is provided with the allocation of funds for the selected projects. The obligation limitation reduces the available funding for the program under the provisions of SAFETEA-LU section 1102(f) discussed above.

Eligibility:

As specified in 23 U.S.C 147(a), this program is for the construction of ferry boats and ferry terminal facilities in accordance with 23 U.S.C. 129(c). FBD funds are available for construction/improvement to ferry boats or ferry boat terminals where:

1. It is not feasible to build a bridge, tunnel, combination thereof, or other normal highway structure in lieu of the use of such ferry.
2. The operation of the ferry shall be on a route classified as a public road within the State or Territory and which has not been designated as a route on the Interstate System. Projects under this subsection may be eligible for both ferry boats carrying cars and passengers and ferry boats carrying passengers only.
3. Such ferry boat or ferry terminal facility shall be publicly owned or operated or majority publicly owned if the Secretary determines, with respect to a majority publicly owned ferry or ferry terminal facility, that such ferry boat or ferry terminal facility provides substantial public benefits.
4. The ferry does not operate in international waters except for: Hawaii, Alaska, any territory of the United States, and between a State and Canada.
5. The set-aside discretionary funds for marine highway systems for use by the States of Alaska, New Jersey and Washington are available for the construction or refurbishing of ferry boats and ferry terminal facilities and approaches to such facilities within marine highway systems that are part of the NHS as set forth in 23 U.S.C. 147(d).

Selection Criteria:

The statutory criteria set forth in 23 U.S.C. 147(c) provides: "The Secretary shall give priority in the allocation of funds under this section to those ferry systems, and public entities responsible for developing ferries, that:

1. provide critical access to areas that are not well-served by other modes of surface transportation;
2. carry the greatest number of passengers and vehicles; or
3. carry the greatest number of passengers in passenger-only service."

FHWA has published in Federal Register Notices of April 26, 1999 and March 22, 2007 specific criteria that it looks at in making discretionary awards. In addition to the above statutory criteria, the following criteria are considered comprehensively, pursuant to these Notices, in the evaluation of candidates for this FBD program, to ensure that selected projects result in the greatest transportation benefits:

- Expeditious completion of project - Consideration is given to requests that will expedite the completion of a viable project. This is a project's ability to expeditiously complete usable ferry

boat or terminal facilities within the limited funding amounts available. This program is intended for construction rather than initial funding of a project that is dependent on future commitments of funding before a usable project can be completed.

- State priorities - For States or Territories that submit more than one project, consideration is given to the individual State or Territory priorities.
- Leveraging of private or other public funding - Because the annual requests for funding far exceed the available FBD funds, commitment of other funding sources to complement the requested FBD funding is an important factor.
- Safety and congestion reduction benefits that will be derived upon completion of the project.

    - With respect to safety, consideration will be given to whether the project, activity, or improvement:

        - Will result in a measurable reduction in the loss of property, injury, or life;
        - Incorporates innovative safety design or operational techniques, including variable pricing for congestion reduction, electronic tolling, barrier systems, and intersection-related enhancements;
        - Incorporates innovative construction work zone strategies to improve safety;
        - Is located on a rural road that is in need of priority attention based on analysis of safety experience; and/or
        - Is located in an urban area of high injury or fatality, and is an initiative to improve the design, operation or other aspect of the existing facility that will result in a measurable safety improvement.

    - With respect to congestion reduction and mobility, consideration will be given to how the project, activity, or improvement:

        - Relieves congestion in an urban area or along a major transportation corridor;
        - Employs operational and technological improvements that promote safety and congestion relief; and/or
        - Addresses major freight bottlenecks.

For more information on the DOT Congestion Initiative, please refer to http://www.fhwa.dot.gov/congestion/.

Solicitation Procedure:

A memorandum is sent from the FHWA Headquarters Office of Program Administration to the FHWA division offices requesting the submission of candidate projects by States and Territories for the available fiscal year's funding. This solicitation is also be posted on FHWA's website at http://www.fhwa.dot.gov/discretionary/. The FHWA division offices provide this solicitation request to the State and Territory transportation departments, which are the only agencies that can submit candidates for this program under the provisions of 23 U.S.C. 129(c). The State or Territory transportation department coordinates with local governments and metropolitan planning organizations (MPOs) within their jurisdiction to develop viable candidate projects. The State or Territory transportation department submits the candidate applications to the FHWA division office. After the division office has reviewed the submission and ensured that the submission and all applications meet the requirements, they send the applications to the Office of Program Administration in Headquarters. **For FY 2007, applications are due in the Office of Program Administration in Headquarters by April 30, 2007.**

The candidate project applications are reviewed and evaluated by the Office of Program Administration, and an allocation plan is prepared for presentation of the candidate projects to the Office of the Federal Highway Administrator, where the final selection of projects for funding is made.

Submission Requirements:

Only State or Territory transportation departments may submit applications for funding under this program. The application for each project must include the following information (16 items) so that a proper evaluation may be made of all candidate projects. Those applications that do not include these items are incomplete and will not be considered in the evaluation and selection process. **The application for each project must be submitted electronically in MS Word format.**

1. **State** in which the project is located.
2. **County** in which the project is located.
3. **U.S. Congressional District No.(s)** in which the project is located. This is the U.S. Congressional District, **not** the State district.
4. **U.S. Congressional District Member's Name(s).** This is the U.S. Congressional District representative, **not** the State legislature.
5. **Project Title** - This should be a very short project description that readily identifies the project, or is commonly used to describe the facility or project.
6. **Project Location (Service Termini and Ports)** - Describe the ferry boat operation including the terminal locations, public road connections and name of the water crossing. A statement must be included for ferry boat operations carrying motorized vehicles, describing the link in the roadway system. Clearly identify any "passenger only" ferry service, and explain how the ferry service is linked to public transportation or is part of a transit system. Also, for each project, indicate if the project is part of an existing link or service, or if it is new service. Also identify if the ferry operates in domestic, foreign or international waters.

    1. Ownership/Operation - Specify which of the following apply (a, b, or c):

    a. The boat or terminal is publicly owned. The term "publicly owned" means that the title for the boat or terminal must be vested in a Federal, State, county, town, or township, Indian tribe, municipal or other local government or instrumentality.
    b. The boat or terminal is publicly operated. The term "publicly operated" means that a public entity operates the boat or terminal.
    c. The boat or terminal is "majority publicly owned" (as opposed to public owned). This means that more than 50 percent of the ownership is vested in a public entity. If so, does it provide substantial public benefits? Documentation of substantial public benefits, concurred in by the division office, is required for ferry facilities that are in majority public ownership.
2. **Current and Future Traffic** - Describe the type and nature of traffic, both current and future (projected), including average daily vehicle and/or passenger volumes, on the ferry route. If the ferry links public roads or is a link on a highway route, provide the functional classification of the public road or route on which the project is located. The general description could include information on year round or seasonal service; commuter, recreational or visitor ridership; traffic generators and attractions.
3. **Proposed Work** - Describe project work that is to be completed under this particular request, and whether this is a complete project or part of a larger project.

4. **Amount of Federal FBD Funds Requested** - Indicate the total cost of the proposed work along with the amount of FBD funds being requested (the maximum Federal share for this program is 80 percent). The State may request partial funding (less than the 80 percent maximum), committing a larger portion of State or local funds. If the State is willing to accept partial funding of the request, that should be indicated. Partial funding along with the commitment of other funds (see item 11) will be used to determine leveraging of funds, and allow funding to more projects, since the requests far exceed the funding available.
5. **Commitment of Other Funds** - Indicate the amounts and sources of any private or other public funding being provided as part of this project. Only indicate those amounts of funding that are firm and documented commitments from the entity controlling the funds.
6. **Previous FBD Funding** - Indicate the amount and Federal fiscal year of any previous FBD funds received for this project, terminals or ferry boats operating on this route or transit system. Only include previous FBD funds, not other funding sources.
7. **Future Funding Needs** - Indicate the estimated future funding needs for the ferry boat operation, including vessels and terminals, if known. Also, provide estimated time schedules for implementing future projects.
8. **Project Purpose & Benefits** - Each request for ferry boat discretionary funds must describe the project benefits and purpose. Particular attention should be given to how the completion of the proposed project will benefit the transportation network. Other benefits that will result from completion of the project, such as improved safety, congestion relief, economic development, community enhancement, etc., should be described.

   With respect to safety, specifically describe how the proposed project:

   - Will result in a measurable reduction in the loss of property, injury, or life;
   - Incorporates innovative safety design or operational techniques, including variable pricing for congestion reduction, electronic tolling, barrier systems, and intersection-related enhancements;
   - Incorporates innovative construction work zone strategies to improve safety;
   - Is located on a rural road that is in need of priority attention based on analysis of safety experience; and/or
   - Is located in an urban area of high injury or fatality, and is an initiative to improve the design, operation or other aspect of the existing facility that will result in a measurable safety improvement.

   - With respect to congestion reduction and mobility, describe how the proposed project:

   - Relieves congestion in an urban area or along a major transportation corridor;
   - Employs operational and technological improvements that promote safety and congestion relief; and/or
   - Addresses major freight bottlenecks.

For more information on the DOT Congestion Initiative, please refer to http://www.fhwa.dot.gov/congestion/.

9. **Project Administration** - Indicate whether the project is being administered by the State transportation agency, a Territory, a county or other local jurisdiction, or another Federal agency. This information is needed to determine to whom to allocate the funds if the project is selected for funding.

10. **Project Schedule** - The anticipated project schedule (assuming the requested FBD funding is provided) is required. The schedule should show when the funds will be obligated (month and year), when construction will commence, and the anticipated completion date, including information on when the ferry service would be operational. Applications should only be submitted for projects for which the funds should be able to be obligated in FY 2007, if the funding is made available.

If the State or Territory desires to submit **additional information, such as maps, pictures, copies of support letters etc.**, those items should be submitted separately and not included in the application. This additional information should be identified by the State and Project Title that matches items 1 and 5 of the electronic application. These additional items **are not required** and are not to be included in the electronic application. Any support letters should be addressed and sent to the Federal Highway Administrator, who is the official ultimately responsible for selecting projects for funding.

If submitting more than one application, the State or Territory must also list their priority for each project. This may be noted on each application or in the State or Territory submission email.

Announcement Of Awards / Allocation Of Funds

After the applications are received and projects are selected for funding, it is required that Congress be notified before the funds are allocated. When this Congressional notification process is completed, the Office of Program Administration will issue an announcement by email to all FHWA division offices, announcing the FBD projects that will be funded and the amount of funding for each project.

At that time, States or Territories may request that funds be allocated for any projects for which the funds are ready to be obligated. The State or Territory transportation agency shall send an email to the FHWA division office indicating the project, the amount requested for allocation, and the date by which the funds will be obligated. The Office of Program Administration will issue the allocation memorandum within a few days of receiving the allocation request.

State or Territory Transportation Agency Responsibilities:

1. Coordinate with State, Territory, local, and Federal agencies within the State or Territory to develop project applications.
2. Ensure that the applications are completed for candidate projects in accordance with the submission requirements outlined above.
3. If required, establish priorities if submitting more than one project.
4. Submit the applications **electronically** to the local FHWA division office on time so that the submission deadline can be met.
5. Submit request to FHWA division office for allocation of funds, after awards are announced, and when project funds are ready to be obligated.

FHWA Division Office Responsibilities:

1. Provide the solicitation memorandum and this program information to the State and Territory transportation agency **electronically** to facilitate their electronic submission of applications.
2. Request candidate projects be submitted by the State or Territory to the FHWA division office electronically to meet the submission deadline established in the solicitation.

3. Review all candidate applications submitted by the State or Territory prior to sending them to FHWA Headquarters to ensure that they are complete and meet the submission requirements.
4. Submit the candidate applications **electronically** to Pete Jilek (pete.jilek@dot.gov) in FHWA Headquarters Office of Program Administration as outlined in the solicitation memorandum. Include the following with the transmitting email message:
    a. Statement from the division office that the State or Territory submittal has been reviewed by the division office and that it meets the submission requirements.
    b. State or Territory transportation department submission email or letter to the FHWA division office.
    c. **Each** MS Word application as a separate attachment.
5. Forward award announcement to the State or Territory.
6. Forward allocation requests from State or Territory to the Office of Program Administration, via email to Pete Jilek (pete.jilek@dot.gov).

FHWA Headquarters Program Office Responsibilities:

1. Solicit applications from the States through annual solicitation memorandum.
2. Review applications and compile appropriate program and project information for the Office of the Federal Highway Administrator.
3. Issue award announcement via email to all FHWA division offices.
4. Allocate funds upon receipt of request from State or Territory through the FHWA division office.

FHWA Headquarters Program Office Contact:

Pete Jilek
Highway Engineer
Office of Program Administration
Phone: (202) 366-4658
Fax: (202) 366-3988
Email: pete.jilek@dot.gov

Appendix C

Maryland Transportation Authority Transportation Public-Private Partnership Guidelines

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I. INTRODUCTION

It is essential to the economic well being of the citizens of Maryland, and maintenance of a high quality of life that the State of Maryland have an efficient transportation system. Maryland has

been fortunate to have one of the best transportation systems in the United States and the Maryland Department of Transportation enjoys one of the most flexible transportation funding sources – the Transportation Trust Fund. Maryland has also had the advantage of the Maryland Transportation Authority, created to serve as an additional funding mechanism for transportation needs in Maryland.

The Maryland Secretary of Transportation has declared that a Transportation Public-Private Partnership program has the potential to enhance the State's Transportation System. These guidelines are issued under the authority of the Maryland Transportation Article, Section 4-205 and 4-312, which empower the Maryland Transportation Authority to enter into such partnerships. Properly structured, this initiative can provide sound economic investments while supplementing traditional transportation resources. The Maryland Transportation Authority (MdTA), chaired by the Secretary of Transportation, will be responsible for this program, which shall be implemented in cooperation with local jurisdictions, and which shall promote business and employment opportunities in Maryland.

Maryland's Transportation Public-Private Partnership program will select only qualified and experienced proposers who can demonstrate the capability to successfully acquire, finance, construct and/or operate a new transportation facility or major rehabilitation/expansion of an existing facility in the State of Maryland. Proposers may include any person, corporation, limited liability company, partnership, joint venture or other private business entity. MdTA will only consider proposers that have proven experience, financial resources, and professional expertise to deliver a high-quality, economically feasible transportation facility as described in Section III of these guidelines. All projects must be consistent with and must eventually be incorporated into Maryland's Consolidated Transportation Program, and shall comply with all applicable federal, state and local laws and regulations, including the recently enacted "Smart Growth" legislation – State Finance and Procurement Article, Subtitle 7B – Priority Financing Areas.

It is not the intention of this program to consider or evaluate proposals for highway facilities. In addition, this program is not designed to accept unsolicited proposals for the sale of assets or the procurement of operation or maintenance services. The Council on Management and Productivity will be developing a process for enhancing the ability of State agencies to solicit operating and maintenance services from the private sector. Another effort in the Maryland Department of Transportation focuses on asset management.

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II. EXECUTIVE SUMMARY

Acting on behalf of the Maryland Department of Transportation (MDOT), the MdTA has the power to enter into Transportation Public-Private Partnership agreements to allow private entities to acquire, finance, construct and/or operate a new transportation facilities project or the major rehabilitation/expansion of an existing transportation facility as described in Section III "Transportation Facilities". The MdTA shall consider entering into Transportation Public-Private Partnership agreements which demonstrate the ability to meet emerging transportation requirements of the State by allowing needed projects to be completed in a more timely or cost-effective manner than otherwise might be possible using traditional sources of public financing.

A. Procurement Law

These guidelines will furnish private entities with a format in which to submit solicited and unsolicited proposals for certain new transportation facilities for review and evaluation by the

MdTA. The evaluation and selection process for both solicited and unsolicited project proposals shall be conducted in accordance with Maryland procurement law and these guidelines. The actual acquisition, financing, construction and/or operation of a specific project may or may not be subject to Maryland procurement laws depending upon the nature of the project and the structure of the partnership. The applicability of such laws will be specified in the Transportation Public-Private Partnership Agreement governing the project. Projects selected by the MdTA under this program also are subject to approval of the Maryland State Board of Public Works.

B. Financing

Proposers are encouraged to utilize innovate financing methods, to include the imposition of user fees or other charges. Proposed financing arrangements may include the issuance of debt, equity or other securities or obligations. The proposer may propose entering into sale and leaseback transactions and secure any financing with a pledge of a security interest in, or lien on, any or all of its property, including its interest in the proposed transportation facility. Once a project has been selected, the maximum rate of return to the private partner or the fee structure will be negotiated as part of the Transportation Public-Private Partnership Agreement governing the project.

C. Ownership

The project may be owned by the private partner during the construction period. After completion and final acceptance of the project, ownership may transfer to the MdTA or may be retained by the private partner for a period established in the project agreement. Upon construction completion and acceptance all projects will be considered part of the State's transportation system.

D. Agreements

The Transportation Public-Private Partnership Agreement for each project will be a comprehensive agreement addressing the rights, duties and obligations of both the MdTA and the private partner with respect to the project, including but not limited to: responsibilities for design, acquisition of right-of-way, environmental approvals, construction, financing, operation and maintenance of the project, rate of return to the private partner, ownership of the project, dates for termination of the private partner's authority and dedication of the facility to the State, and terms for reimbursement of State agencies for services rendered during the development, construction and operation of the project.

E. Proposals

These guidelines allow for both solicited and unsolicited proposals. The major steps involved in evaluating, selecting and implementing projects are similar for both solicited and unsolicited proposals. Proposers shall follow a two-step proposal process. The first submission for each project should be a conceptual proposal containing specified information outlined in greater detail below under "Submission Requirements: Phase One", such as proposer qualifications and experience, project characteristics, financing, public support and project compatibility with existing and planned infrastructure. There should be enough information in the conceptual proposal such that economic feasibility may be determined. The second submission will be more detailed in nature to include specific deliverables outlined in greater detail below under "Submission Requirements: Phase Two", such as total life-cycle costs of the facility, financing mechanisms, user and revenue forecasts, evidence of local government support and a plan to acquire all necessary property.

F. Evaluations

Proposals will be ranked by the MdTA, with the assistance of a Review Committee appointed by the MdTA, according to criteria contained in the "Submission Requirements" section of these guidelines. Proposers who submit more than one project should specify whether they would be willing to undertake more than one project or whether their intent is to undertake only one or several of the projects proposed.

G. Disclaimers

Under no circumstances shall the MdTA, the MDOT, the State of Maryland or any department or agency thereof be liable for or reimburse the costs incurred by the proposers whether or not they are selected. Any and all information MdTA makes available to proposers shall be as a convenience to the proposer without representation or warranty of any kind. Proposers may not rely upon any oral responses to inquiries. If the proposer has a question regarding these guidelines, the proposer must submit the question in writing and the MdTA will provide written answers. The MdTA reserves the right, at any time, to reject any and all proposals; to terminate evaluations of any and all proposals; to suspend, discontinue or terminate project agreement negotiations with any proposer; to request or obtain additional information about any proposals; to issue addenda to or to cancel an RFP; to revise, supplement or withdraw all or any part of these guidelines; or to decline to return any and all fees required of proposers under these guidelines.

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III. TRANSPORTATION FACILITIES

To become subject to the evaluation and selection process, the proposal shall include the acquisition, construction, financing, operation, and/or maintenance of one or a combination of the following types of new major capital projects as defined in the Transportation Article of the Maryland Annotated Code: Airport facilities, Port facilities, Railroad facilities and Transit facilities, including the major expansion or rehabilitation of any aforementioned existing facility, and all incidental property rights, materials, facilities and structures related to transportation facilities. The project must be compatible with and eventually become part of the Maryland Department of Transportation's Consolidated Transportation Program, and the Maryland Transportation Plan, and upon acceptance be considered part of the State transportation system. This program is not designed to consider or evaluate highway facilities, or proposals to merely privatize existing transportation facilities. Such privatization proposals will not be accepted or evaluated under this program.

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IV. PROJECT PROPOSALS

A. Solicited Proposals

With the approval of the Secretary, the MdTA may solicit project proposals at any time through the issuance of a Request for Proposals (RFP). The normal method of procurement will be "Competitive Sealed Proposals" in accordance with Code of Maryland Regulations (COMAR) 21.05.03. The RFP may invite proposals from private entities to acquire, construct, finance, and/or operate a specific project or a project of the private entity's choice that meets certain criteria. Proposers will be encouraged to be as innovative as possible in their submissions.

The RFP will outline the minimum qualifications and project selection criteria, including any unique capabilities or credentials which will be required of the proposer. Pre-proposal conferences may be held, as deemed necessary by MdTA, and notice of such will be provided in the RFP. If a specific project's requirements deviate from these guidelines, the proposer will be instructed as to the format and minimum information, materials and fees required for the proposal to be considered complete.

Public notice of the solicited RFP will be posted at least 60 days prior to the date set for receipt of proposals. Posting will be in newspapers, the Maryland Register and Maryland Contract Weekly, and other publications of general circulation within and outside the State of Maryland so as to encourage maximum response to the RFP.

B. Unsolicited Proposals

The MdTA will accept unsolicited proposals for a new transportation facility project from private entities at any time as long as the proposal meets the requirements set forth in these guidelines. An unsolicited offer will be evaluated in accordance with COMAR 21.05.02.23 to determine whether it would be to the State's advantage to enter into an agreement based on that offer, using the "Sole Source" procurement method under COMAR 21.05.05, or whether competitive methodologies should be used. If competitive proposals are to be sought, the MdTA will issue an RFP in accordance with COMAR 21.05.03, providing public notice in the Maryland Register and Maryland Contract Weekly and other publications of general circulation for at least 30 days. The RFP will state that the MdTA has received an unsolicited proposal for a new transportation facility project, describe the project, request the submission of competing proposals, and state that it intends to evaluate the unsolicited proposal and any competing proposals received no later than 60 days after the initial publication of the RFP.

Failure to submit a competing proposal within 60 days shall preclude such a proposal from MdTA consideration unless MdTA terminates consideration of, or negotiations on, the original proposal and all competing proposals received within such 60 day period. MdTA will not grant extensions of the 60 day period; and receipt of one or more competing proposals, or resubmissions as unsolicited proposals, will not trigger a new RFP or publication of a new public notice or start a new 60 day period. MdTA recognizes that it may receive proposals which have certain characteristics in common. In such cases, MdTA reserves the right, in its sole discretion to treat such proposals, or a portion thereof, as competing or non-competing proposals.

Proposers are strongly urged to monitor the MdTA notices of RFPs and be prepared to submit their proposal within such 60 day period if they perceive the proposal they are considering could be construed or interpreted as a competing proposal under the subject RFP. In the event a proposer is unsure whether its planned proposal is sufficiently similar to the proposal which is subject of the RFP, a written request for a preliminary determination may be made to MdTA. MdTA will use its best efforts to respond to such requests within 7 working days.

The MdTA shall notify proposers within 30 days following receipt of the proposal as to the estimated time frame for proposal review. Every attempt will be made to move the proposal through the review process as expeditiously as possible; however development periods may be dependent on the volume of proposals under review, complexities of the proposals, and the need to obtain or clarify additional information.

All proposals must clearly describe the benefits accruing to the State by virtue of the public/private partnership. MdTA reserves the right to complete any proposed project as a public project, using a plan or financial structure different from that proposed by a private entity.

C. Delivery

Proposers submitting to MdTA are required to deliver 15 copies of their Conceptual Proposal and, if requested, Detailed Proposal to the following address:

Executive Secretary
Maryland Transportation Authority
Suite 150
2310 Broening Highway
Baltimore, Maryland 21224-6621

Phone: (410) 537-1001
Fax: (410) 537-1038
E-mail: mdta@mdtransportationauthority.com

When directed to do so by the MdTA, proposals are to be delivered to all affected local jurisdictions, which is defined to mean the chief executive or administrative officer of the county and/or municipality in which all or a portion of a proposed project is located. Proposals should be sealed in mailing envelopes or packages bearing the proposer's name, address and the words "Transportation Public-Private Partnership Proposal" clearly written on the outside. The cover page must include the title of the proposal, the name and address of the proposing entity, and be signed by someone authorized to act on behalf of the proposer and include his or her telephone and facsimile numbers.

D. Proposal Review Fee

A non-refundable, non-negotiable proposal review fee of $30,000 for all unsolicited proposals will be required in two parts, to partially offset the costs of processing and reviewing the proposals. Recognizing the time and cost factors affecting proposers, a two phase process is permitted involving a Conceptual Project Proposal and a following Detailed Project Proposal. The total fee will be split into two components: (1) Each Conceptual Proposal will be accompanied by a $5,000 initial review fee; and if the concept is approved by the MdTA, (2) the Detailed Proposal will be submitted and accompanied by the remaining fee of $25,000. Failure to submit all fees shall terminate MdTA's consideration of a proposal. All fees should be submitted in the form of a cashier's check made payable to the Maryland Transportation Authority. Entities submitting multiple project proposals shall be required to provide a separate fee for each project.

E. Proposal Preparation

These guidelines provide the basis for all submissions, solicited and unsolicited. Proposers are encouraged to closely examine any RFP associated with solicited proposals for any additions or amendments to these guidelines that may be required due to the unique nature of a particular transportation project. All information requested under "Submission Requirements" should be submitted. Failure to do so may result in a lowered evaluation rating. Conceptual proposals which lack key information may be rejected.

Proposals should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to complete the project. Emphasis should be on completeness and clarity.

Any proposals submitted for consideration should include a comprehensive scope of work and provide enough information to determine whether it meets all criteria stated herein to include

public support for the project. In addition, the financial plan must contain enough detail so that an analysis will demonstrate economic feasibility.

Proposals should be organized according to these guidelines with all pages of the proposal numbered. Evaluation of the proposal will be better facilitated if proposers will reference responses by citing the guideline tab number, sub-letter, and by repeating the text of the requirement. The proposal should include a table of contents which cross references the requirements by category. Information the proposer wishes to include which does not fall within any of the requirements should be inserted where appropriate or attached at the end of the proposal and designated as additional material. Each copy should be submitted as a single volume where practical. Proposers who submit a proposal may be required to give an oral presentation to the MdTA.

F. Confidential and Proprietary Information

Proposers should give specific attention to the identification of those portions of their proposals which they deem to be confidential, proprietary information of trade secrets and provide any justification as to why such materials, upon request, should not be disclosed by the MdTA under the Maryland Public Information Act, Section 10-611 et. seq. of the State Government Article of the Annotated Code of Maryland.

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V. SUBMISSION REQUIREMENTS

A. PHASE ONE – Conceptual Proposal

Proposers are required to submit the following, separated by tabs within the Conceptual Proposal:

TAB 1: Qualifications and Experience:

a. Identify the legal structure of the firm or consortium of firms making the proposal. Identify the organizational structure for the project, the management approach, how each partner and major subcontractor in the structure fits into the overall team.
b. Describe the experience of each firm and the key principals involved in the proposed project. The lead organization must be identified.
c. Provide the names, addresses and phone numbers of persons within the firm or consortium who may be contacted for further information.
d. Describe the length of time in business, business experience, public sector experience, private sector experience, and other engagements of the firm(s).
e. Include the address, telephone number, and the name of a specific contact person for an entity for which the firm, consortium or primary members of the consortium have completed a similar project.
f. Provide audited financial statements covering the previous three years of the firm, or consortium if available, and each major partner. Submit the most recent SEC 10-K and 10-Q reports, if appropriate.

TAB 2: Project Characteristics:

a. Provide a description of the facility or facilities, including the conceptual design and all proposed interconnections with other transportation facilities. Describe the project in sufficient detail so the type and intent of the project, the location, and the communities that may be affected are clearly identified. The project description should be prepared in a way that fully recognizes any federal and State requirements to analyze other project alignments and alternatives.
b. Include a list of all federal, State and local permits and approvals required for the project and a schedule for obtaining such permits and approvals.
c. Without completing an Environmental Impact Statement, identify any anticipated adverse social, economic and environmental impacts of the project. Specify the strategies or actions to mitigate known impacts. Identify the expected positive social, economic and environmental impacts of the project.
d. List the critical factors for the project's success.
e. Identify the proposed schedule for implementing the project, including estimated time for completion.
f. Address responsibility for design, construction, and assurances for timely completion of the project.
g. Clearly state the assumptions related to ownership, legal liability, law enforcement, operation and maintenance of the facility (all public services may be subject to full reimbursement).
h. Provide information on any phased (partial) openings proposed prior to final completion of the project.

TAB 3: Project Financing:

a. Provide an estimate of the cost of the project by phase (e.g. planning, design, construction, etc.)
b. Submit a plan for the development, financing and operation of the project, showing the anticipated schedule on which funds will be required and proposed sources of those funds.
c. Include a list and discussion of assumptions (including user fees, usage of the facility, and/or rate of return) underlying all major elements of the plan.
d. Identify the proposed risk factors and methods for dealing with these factors.
e. Identify any local, State or federal resources that the proposer contemplates requesting for the project. Describe the total commitment (financial, services, property, etc.), if any, expected from governmental sources, and the timing of any financial commitment.

TAB 4: Public Support:

a. Identify who will benefit from the project, how they will benefit and how the project will enhance the overall transportation system.
b. Identify any anticipated government support or opposition, and general public support or opposition to the project.
c. Explain the strategy and plans that will be carried out to involve and inform the agencies and the public in areas affected by the project.

TAB 5: Business, Economic and Community Development:

a. Describe the significant benefits to the community, region or State. Identify any State benefits resulting from the project including the achievements of State transportation policies or other State goals.
b. Identify significant benefits to the State's economic condition. Discuss whether this project is critical to attracting or maintaining industries and businesses to the State or region.
c. Identify positive economic impacts to the State in terms of potential employment of State residents, use of State contractors, fabricators and suppliers, the amount of contract dollars expected to enter into the State's economy as a result of the construction of the project, and an estimate of tax revenues to be generated.
d. State whether the project is to be located in or near a Priority Funding Area, Foreign Trade Zone, Empowerment Zone, Enterprise Zone, or Urban Renewal Area, and identify the positive economic benefits to be achieved from such location.

B. PHASE TWO – Detailed Proposal

The following information illustrates the type of information that may be requested in Phase Two of the evaluation and selection process. Specific requirements and delivery dates will be determined on a case by case basis according to the proposed transportation facility.

a. Provide a topographical map, drawings, sketches, etc. depicting the location of the facility or facilities.
b. Provide a list of public utility facilities that will be crossed by the project and a statement of plans to accommodate such crossings.
c. Provide a statement setting out the plan for securing all necessary property. The statement must include names and addresses of the current owners as well as a list of any property the proposer intends to request the State to condemn.
d. Provide a detailed listing of all firms who will provide specific design, construction and completion guarantees. Include a description of the guarantees.
e. Provide the estimated total costs of the facility and the projected start date. Include anticipated commitment of all parties; equity, debt and other financing mechanisms; and a schedule of project revenues and expenditures. Include in the cost analysis a detailed analysis of the projected rate of return.
f. Include a detailed discussion of assumptions about user fees, and usage of the facility such as user forecasts and other relevant assumptions.
g. Identify known government support or opposition, and public support or opposition for the project. Government and public support should be demonstrated through resolutions of official bodies, minutes of meetings, letters, or other official determinations.
h. Demonstrate consistency with state and local transportation plans, or indicate the steps required for acceptance into such plans.
i. Provide an explanation of how the proposed facility would impact local transportation plans of each affected locality.
j. Provide an economic impact analysis quantifying to the extent possible the positive business, economic and employment impacts the project will have upon the State.
k. Such additional material and information as MdTA may reasonably request.

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VI. EVALUATION AND SELECTION PROCESS

Proposals will be evaluated according to a two phase process. Phase One will require a Conceptual Proposal to be submitted for a pre-qualification review conducted by a Review Committee appointed by the MdTA. Phase Two of the process will consist of a scheduled submission of a Detailed Proposal for final evaluation by the MdTA.

A. Phase One

The MdTA will appoint a Review Committee including one or more representatives of the Department's modal administrations primarily responsible for the type of transportation facility being proposed, to perform Phase One of the qualification review of each Conceptual Proposal to determine whether each proposer has: (i) submitted a complete proposal; (ii) assembled a team which is qualified and capable of completing the proposed facility; (iii) developed a plan which is technically feasible; (iv) provided a financial plan and financial guarantees which will allow for access to the necessary capital to finance the facility; and (v) proposed a project which fulfills a legitimate State transportation need. The Review Committee may confer with financial, technical, and legal consultants under contract with the MdTA or MDOT in reaching its decision. The Review Committee may request formal presentations and additional documentation in order to assess project feasibility and proposer qualifications. Those projects meriting further consideration will be recommended to the MdTA for approval of the Conceptual Proposal. The MdTA may reject or concur with the recommendation. Approval of the Conceptual Proposal by the MdTA will advance the project to Phase Two of the evaluation and selection process.

B. Phase Two

The primary focus of Phase Two will be to conduct an in-depth evaluation and analysis of each Detailed Proposal to determine whether the proposal promotes a State transportation goal and serves the public interest, and whether the proposal should be selected for a Transportation Public-Private Partnership. In conducting such analysis, the MdTA may solicit advice from federal, State and local agencies, representatives of the private sector, or any financial, technical, legal or other such consultant under contract with MdTA or MDOT, as appropriate, in making its determinations. The MdTA may request formal presentations and additional documentation as part of its evaluation process.

C. Jurisdictional Review

These guidelines require that each proposal be provided to all affected local jurisdictions. Proposers should provide copies of the Phase One Conceptual Proposal and the Phase Two Detailed Proposal to the affected local jurisdictions when directed to do so by the MdTA. Those affected jurisdictions will have 60 days from receipt of the proposals to submit written comments to the MdTA, and will be so notified by the MdTA. If comments have not been received within 60 days, the MdTA will assume that local jurisdictions have no comment on the proposal and shall so notify them of that assumption.

D. Final Approval

After comments have been received from affected jurisdictions, the MdTA may request proposers to make oral presentations. The format of these presentations will include a formal briefing by the proposer, followed by any questions the MdTA may have pertaining to the project. The MdTA also may ask the proposer to address concerns expressed by local jurisdictions. If there is an issue to which the proposer is unable to respond during the formal presentation, the MdTA may grant the proposer a reasonable period of time to submit a written response.

Following the formal presentations, the MdTA will evaluate all proposals using an established list of criteria. The Review Committee's findings, information gathered at the presentations, and the MdTA's evaluation results will be used to select proposals to be recommended to the Secretary of Transportation. The MdTA may elect to recommend any number of projects from proposals received.

The Secretary of Transportation will review the recommendations and select those projects which: (i) satisfy a public need; (ii) are compatible with State and local transportation plans; (iii) are reasonable in terms of costs; and (iv) will result in the timely acquisition, construction, financing or operation of the proposed new transportation facility. The Secretary reserves the right to reject any or all recommended proposals.

Final approval will be contingent on successful negotiation and execution of a Transportation Public-Private Partnership Agreement between the private entity and MdTA, and approval by the Maryland Board or Public Works. The Agreement for each project will be a comprehensive agreement addressing the rights, duties and obligations of both the MdTA and the private partner with respect to the project, as detailed below in "Transportation Public-Private Partnership Agreements."

Should satisfactory negotiations not be possible with a proposer, MdTA reserves the right to proceed no further with the project, to request the next ranked proposer to submit a detailed proposal for further consideration, to re-advertise the RFP, or to proceed with the project as a public project.

E. Transportation Public-Private Partnership Agreements

Selected proposers must enter into a comprehensive Transportation Public-Private Partnership Agreement with the MdTA, the terms of which shall include but not be limited to:

a. The right of the private partner to acquire, construct, finance, and/or operate the transportation facility, the duration of such rights, and if applicable, the terms and conditions for transfer of the transportation facility to the State.
b. How user fees or other charges for the transportation facility will be established from time to time by the agreement of the parties.
c. Performance milestones that will be required.
d. The requirements for interconnections and interoperability between the transportation facility and other public transportation facilities.
e. Responsibilities for the acquisition of necessary environmental approvals and other required permits and approvals for the transportation facility.
f. Responsibilities for the acquisition of land for the project, including any requirements and conditions for the exercise of eminent domain by the State for the benefit of the transportation facility.
g. Responsibilities for the design, financing, construction, operation and maintenance of the transportation facility, and the design, construction, operation and maintenance standards which the transportation facility must meet.
h. The applicability of the State's procurement laws and regulations to any phase of the design, acquisition, construction, operation or maintenance of the transportation facility.
i. The requirements and procedures for the submission of plans and specifications to the MdTA for approval.
j. The rights of the MdTA to inspect construction of the transportation facility.
k. The obligations of the private partner to maintain the transportation facility and the rights of the MdTA to monitor such maintenance.

l. The rights of the private partner to make and enforce reasonable rules, with the consent of the MdTA and MDOT, applicable to the transportation facility.
m. The terms under which the private partner will reimburse State and local agencies for services provided during the development, construction, operation and/or maintenance of the transportation facility.
n. The fee structure for the facility or the reasonable maximum rate of return on investment authorized for the private partner to earn, the formula by which such rate of return will be calculated, and the distribution of project revenues.
o. The terms and conditions of financing for the transportation facility, including any terms or conditions under which the MdTA will contribute financial or other resources to the project.
p. The events that will constitute default by the parties, notice and cure rights, and remedies available to the parties in the event of default.
q. Lenders' rights and remedies with respect to events of default.
r. The events that will constitute force majeure and the remedies available to the parties in such events.
s. Insurance and bonding requirements that the private partner will be required to provide.
t. The liability of the parties for, among other things, property damage, personal injury, facility repair and hazardous waste remediation at the transportation facility.
u. The obligations of the private partner to maintain records, to allow inspections and audits and to provide regular reports to the MdTA.
v. The conditions under which the private partner may assign its rights under the Agreement and/or its rights in and to the transportation facility.
w. Any other terms and conditions appropriate for the selected transportation facility.

Any changes in the terms of the Transportation Public-Private Partnership Agreement must be agreed upon by the parties and added to the Agreement by written amendment.

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VII. ADDITIONAL INFORMATION

A. Minority Business Enterprises (MBE)

Proposers are hereby notified that in regard to any agreements entered into pursuant to this Transportation Public-Private Partnership program, all persons shall be afforded full opportunity to submit proposals and shall not be subjected to discrimination on the basis of age, ancestry, color, creed, marital status, mental or physical disability, national origin, race, religious affiliation, belief or opinion, sex or sexual orientation in consideration for award. The State encourages the utilization of minority businesses for any subcontracting opportunities, and if the construction of any project under this program is subject to Maryland procurement law, MBE utilization will be required. Proposers are requested to identify any certified MBEs to be utilized, the portions of the work that they will perform, and the total dollar value which that work represents.

The State's MBE certification process is managed by the Maryland Department of Transportation, Office of Minority Business Enterprise. Certification applications may be obtained by contacting MDOT at (410) 865-1241, or toll free (800) 544-6056.

B. Compliance with Law

By submitting a proposal, the proposer agrees that it will comply with all federal, State, and local laws applicable to its activities and obligations. The proposer shall be deemed to represent that it

is not in arrears in the payment of any obligation due and owing the State of Maryland or any department or unit thereof, including but not limited to the payment of taxes and employment benefits, and if selected for award, that it shall not become so in arrears.